

FROM POVERTY TO PLENTY ;

OR

THE LABOUR QUESTION SOLVED.



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BY

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TO SIR GEORGE GREY, K.C.B.

THIS work is inscribed to one whose wise counsels have so often aided me to attain results at which I have arrived, and who will recognise in its pages many tokens of the familiar interchange of thought between us during the past fifteen years; to whose sympathy and encouragement I owe more than I can express, and to whom every effort made for the happiness of men, especially of men of his own race, is an effort in a sacred cause. To a great statesman, profound thinker, and sincere philanthropist, brave in the field, wise in council, true to his country, loyal to his Queen, and, above all, a humble servant of the Great Master, this book, with all reverence and affection, is dedicated by

THE AUTHOR.



PREFACE.

MANY years since, I was called upon in the practice of my profession to advise the native landowners of the east coast of the North Island of New Zealand in regard to their lands. The native land laws of New Zealand were and are a disgrace to any civilised community. The Maories were prevented by legislation from raising any money upon their lands for the purpose of utilising them, and by the same laws were practically prevented from cultivating, or in any way improving their vast estates, extending in the North Island over twelve millions of acres.

After mature consideration, I advised them that the only possible method of profitable enjoyment of their tribal properties was by conveying the lands to Europeans or joint-stock associations upon terms

mutually beneficial to both parties. Large numbers of the Maories accepted my advice and acted upon it, and lands to the extent of about 250,000 acres were so conveyed.

I soon found that the mere possession of large territories in a state of nature entailed grave responsibilities and very heavy expenses.

Recognising the fact that large masses of unemployed labour, together with great hoards of capital, existed in the United Kingdom which, properly directed, would enable me to utilise the great estate committed to my care, I set myself to the task of solving the problem of joining uninvested capital and unemployed labour upon these waste lands.

The one science from which I could gather information as to the proper method, as a matter of course, I saw to be the science of wealth, Political Economy.

To the study of that subject I, therefore, at once proceeded. In the progress of reading and of examination, it soon became apparent that not only was it idle to seek from that science, as at present taught, any practical assistance, but that the whole system was a huge collection of false principles, inhuman maxims, and deplorable results. I then

determined, to carry my researches and efforts to a final conclusion by attempting to lay down a true, practical, and philosophic system, through which the wealth which abounds in nature should be developed and realised for the happiness of man.

In the succeeding pages I have somewhat severely criticised the work of Mr. Henry George. He will permit me here to state that I have received more assistance, notwithstanding what I consider to be its errors, from "Progress and Poverty" than any other book or books ever written upon the subject.

The results of my work and the conclusions to which I have arrived I now set forth, hoping and believing that they will be useful to the suffering multitudes of my beloved country, and through them to the whole human family.

In the prosecution of my endeavour to unite labour and land and capital, I approached the Trades and Labour Congress of New Zealand, and was by that body unanimously appointed its delegate to the Trades and Labour Congress of Great Britain.

The rules of the English Congress, however, being necessarily strict and exclusive, prevented my admission as the New Zealand delegate on the grounds of

my not being a labouring man working at a trade, and that my expenses to England are not paid by the body which I represent.

My interest in the working classes may be judged by the contents of this volume. It is with deep regret that I gather from the reports of this twenty-first Congress that the representatives still look to politics and political power as the source from which safety and comfort will be derived by their class.

Though unable to speak in this Parliament of working men, I here point out to a still wider audience that the remedy for the present wrongs of the industrial classes and the only source of hope for the future lies, not in politics, but in economics.

The delegates of the Trades Unions of Great Britain will only achieve the enfranchisement of labour by enabling labour to organise for the purpose of the production and distribution of wealth.

All the majorities in Parliament will fail to distribute wealth equitably, and I would impress most earnestly upon the Trades Unions and their representatives that they can more easily join their labour and avail themselves of fresh sources of wealth from nature for their mutual benefit, than obtain a majority in Parliament,

useless to them as that majority would be. Were the Trades Unions to approach the co-operative bodies with a view to the production of fresh wealth, becoming their own employers, and drawing forth the treasures of Nature for their own subsistence and enjoyment, they would take the first step in a victorious march towards the final triumph of labour.



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INTRODUCTION.

FROM the fifteenth century down to the present time, the growth of knowledge and the spread of education and of thought have sent changes in the history of the human race and conditions of human society spinning onwards at an ever-increasing rate. But the speed at which modern civilisation has advanced has been in no case regular or persistent. The tide of human progress has, in truth, since the great events of the fifteenth and sixteenth centuries been constantly flowing, and no doubt will continue to flow until the end of time. But the rising of the waters has been neither calm nor regular. The fall of Constantinople and the destruction of the Eastern Empire released a mass of buried learning, and scattered over Europe a number of scholars deeply versed in Greek literature and philosophy.

A few years before the fall of the Eastern capital, Columbus had been born and already, as a child, had listened with eagerness to the tales of mariners as to the wonders and the wonderlands across the seas. We need not be surprised that the resurrection of ancient philosophy and learning, the discovery of a new world, and the intellectual development attending the Reformation, should quicken the mental powers

and inflame the imagination of great numbers of adventurous minds. Twenty-three years after the death of Constantine Palaeologus and the downfall of the Eastern Empire, and fifteen years before Columbus, almost heart-broken, sighted the Bahamas, Caxton had issued the first book ever printed in England, and within six years of the "Game of Chess," and yet nine years before Columbus discovered America, Luther was born. Thus, in less than forty years philosophy had been born again, a new world had been discovered, Bartholomew Diaz and Vasco di Gama had doubled the Cape and opened the sea-way to India, the great leader of the Reformation saw the light, and the art of printing, by which the records of philosophy, of discovery, and of invention should be for ever preserved, had been reduced to common practice. From that time forth no accident could bury, the hand of no rude conqueror could destroy, the history of men. The records of heroism must for ever stand inscribed upon the golden page; the long tale of noble purposes and ignoble crimes, the story of success and failure, of virtue and vice, of selfishness and philanthropy, would be graven as with a pen of iron upon tablets of brass. The hopes, the fears, and the struggles of men, their achievements and their failures, were destined to be eternally recorded to teach and to inspire succeeding generations. And yet the progress of human advancement was not equal.

Amid the constant rise of the tide of human

knowledge and civilisation, there have been intermittent periods of swift advancement and partial retrogression. And on some occasions periods of such disorder and uncertainty have arisen as seemed to threaten the very fabric of social life itself. The close of the last century and the ending of the first half of the present were, viewed in this light, two notable periods; and no man can predict when, from some unseen and unthought-of contingency, all Europe may be set ablaze, and war, terror, and revolution shatter to atoms the political organisations that now exist. From the close of the fifteenth century to the present time, four races have contended for maritime supremacy and the control of colonisation. Spain, which at first seemed likely to become the future mistress of the nations; Holland, issuing from its storm-beaten home, won by incredible exertions from the marsh and sea; France, both under its kings and the great Napoleon; and finally England, have in turn prevailed; but none of the former either to the same extent or with the same characteristics as the English people. It has been pointed out very clearly by several writers that the modern wars between France and England were in truth wars for the possession of great colonies and the extension of great empires. The power of the English people in the earth is now so widely extended and so firmly based, that, without some turn in future history which would partake of a miraculous nature, the English tongue and English influence must prevail above all others

within the next hundred years. The era upon which attention is now fixed has produced the most remarkable development of knowledge and practice, in regard to civil and religious liberty which the world has yet seen. Especially is this the case in the three branches of the English people, the United Kingdom, the United States, and the colonies of Great Britain. The foundations of civil freedom are wide and firmly laid. So keen has been the disputation of philosophic teaching and historic criticism, so free and unsparing the discussions upon every possible side of every possible subject which could affect humanity, so strong has that unseen but wonderful influence which we call "public opinion" gradually become, that abuses of all sorts and errors of all descriptions are disappearing from the stage of that theatre whereon, for so long a period, they have inflicted sufferings upon mankind.

The latter half of the fifteenth century is, as we have seen, the horizon which bounds modern history. From that period the causes and changes which seem likely to result in the final social civilisation of the world gradually rise. The use of gunpowder, the art of printing, the revival of learning and the spread of scientific knowledge, the Reformation, the continuous opening and developments of new worlds, and in them the establishment of great and free nations, the growth of manufactures and commerce, the establishment of civil and religious liberty, the practical annihilation of space and time by steam and

electricity, all help to indicate and to ensure the final development of human society. Two important questions only yet remain to be decided in order to close this volume of the history of mankind. The one being, "What race is to dominate and lead the world?" the other, "How shall the distribution of wealth be so ordered that labour and industry shall fairly participate in the wealth they produce, and want and poverty exist no more?"

What a heritage has God given to the English! In Australia I have travelled for months to and fro over thousands of square miles of level fertile land, unbroken by the spade or plough, rich with flowers and herbage, in a climate like that of Spain or Italy, where the air was redolent with the odours of the flowering gum and wattle, seeing but seldom the glance of a human eye or the imprint of a human foot. I have journeyed over hills and valleys in New Zealand, through streamlets clear as crystal, beneath waving ferns and Nikau palms, by snowy mountains which melt into the deep blue of the southern sky, by capacious harbours whose waters teem with fish, over territories as large as Yorkshire, with soil and climate unrivalled in the British Isles, where fruits,—the apple and the orange, the strawberry and the walnut, the apricot and the melon,—ripen in the open air; where all the productions of a temperate climate grow in almost unexampled profusion; which, untilled and untouched, lie desolate and waste. In those colonies alone the whole population of Great Britain and

Ireland ten times told could find homes and subsistence upon lands now lonely and unoccupied. "The wilderness and the solitary place would become glad for them, and the desert would rejoice and blossom as the rose." For the convenience and comfort of this great empire, this "expanded England," we see a world-wide commerce being carried on, while across continents and beneath oceans is stretched the electric wire. Our people also now enriched with knowledge, and daily adding to their stores of accumulated wealth, possess, as no former generation possessed, the skill of organisation and the capability of association for all the purposes of life. But, strangest fact of all, this great nation,—this people, rich beyond comparison,—having an untenanted estate of at least five thousand millions of acres of land, situated in all regions and in every climate, whose fleets whiten the ocean with their sails or darken the skies with smoke, keeps within its own bosom millions of its children in want, in rags, and in misery. Land, labour, capital, every factor of production, belongs to it in measureless abundance. Its leaders are eminently brave and skilful. Every land and every sea has borne witness to the courage, the endurance, the patience and faith of those races which inhabit the islands of Great Britain and Ireland and speak the English tongue. Nor are they deficient in wisdom. Especially are they distinguished among the nations of the earth for reverence to God and charity to man. How is it, then, that the materials for national greatness and prosperity lying about them

are not made available for the happiness and welfare of the British nation? Why do the leaders of our people let the masses starve when plenty is within their reach? Why do those leaders allow the people to be paupers when these armies of workers could in the outside empire become free men, holding up their heads in the proud consciousness of independence and the dignity of self-respect. The colonies languish for men and money; England groans beneath the burden of a pauperised multitude and impossibility of good investments. English manufacturers seek fresh markets for their goods, English shipowners seek cargoes and freights and charters for their ships, English patriots toil for the welfare and safety of their country and their race, and English Christians pray for their fellow-countrymen whose case seems now so dark and hopeless. In olden times, when populations increased beyond the capacity of the parent State to support them, they pushed their way to new lands, and founded or conquered new homes. The tribes of Asia, the Phœnicians, the Greeks, the many armies of barbarians who pressed on and at last conquered the Imperial city; the rolling tides of Huns, Vandals, Goths, Visigoths, Germans, Saxons, Danes, Normans, did but exemplify the law of nature which forced overcrowded populations to leave their original homes, and "seek fresh fields and pastures new." They went out like Abraham from Ur of the Chaldees "not knowing whither they went," to cross mountains and deserts, to face the terrors of unknown forests and swim great rivers, to encounter, perchance,

starvation in the wilds, or death or slavery in a foreign land. It remains for Christian England, whose senators are the heirs of the knowledge, the courage, and the charity of all time, to keep starving and degraded within her boundaries great multitudes of her people, while the God-given, glorious, untenanted territories of her mighty empire, and her boundless wealth are offering homes and peace and plenty to them all. Could we but ascertain the numbers of the hordes, vast as they were, which overran Europe, I believe that their united numbers would not equal the millions who are to-day in idleness and want in the home of liberty, the shrine of the faith of Christ, that Britain whose imperial sway extends over waste lands practically illimitable in extent.

When the people of Israel were in Egypt, and their cry went up to Heaven, was that cry more terrible than the voice of the daily, hourly agony which rises from "Merrie England" to the eternal throne?

The existence of such a mass of misery and poverty, of suffering and consequent sin in Great Britain, in the presence of our unparalleled advantages, is a shame and a disgrace.

In that shame, in that disgrace, all must participate. The politicians of every name, the philosophers of every school, the churches of every denomination, the press of every class, the nobility, the professions, the universities, the mercantile classes, the universal public, are all more or less concerned and guilty.



CHAPTER I.

Present perilous condition of civilised society caused by want—

Absence of any practical suggestion for improvement—Antagonism of labour and capital—Not caused by national poverty, or war, or pestilence, nor by causes popularly ascribed, but by inequitable distribution of wealth.



THE present position and evident tendencies of modern civilised communities call with a voice of imperative authority for the most serious consideration which the human mind can give.

The forms of agitation by which modern society is shaken are various, but beneath them all lies the one great wrong which the vast majority of men are compelled to suffer, namely, the inequitable distribution of this world's goods. A great part of the populations of our great cities, as well as of the rural districts, are either in a condition of semi-starvation or are liable to be brought into that condition by the happening of circumstances, of which they may be ignorant, and over which they have not the slightest

control. The records of daily history are to the reflective mind suggestive of grief and terror, for our instinct teaches us that the want and suffering endured by men in such numerous and diverse forms are not only dangerous, but unnecessary.

The earth is broad, nature is bountiful, God is good, and yet amid profusion the multitudes are in want. In the presence of almost boundless wealth, drawn by industry from nature, the haggard cheeks of millions tell of hunger and privation. This is the true fountain whence flow the agitations which afflict society. This, the wrong, which calls upon every heart not destitute of human feeling to aid in its redress. And it is certain that many hearts are ready to respond to the cry which goes forth so unceasingly from the sufferers of every land. To such these words of the poet utter a summons:—

“For the cause that lacks assistance,
For the wrong that needs resistance,
For the future in the distance,
And the good that we can do.”

No more noble motto was ever written. To perform these duties, to maintain these principles, men have fought and died in every land and in every age. For this martyrs have suffered on the rack and endured the flames. For this patriots have bared their breasts to the sword of tyranny. For this women have visited the hospital and prison, and

followed the steps of armies to distant lands. For this missionaries have gone forth into the wilderness and dwelt among savage tribes. For this Christians faced the lions in the Colosseum. For this Havelock and Gordon, in India and Egypt, fought and fell. For this Peter the Hermit roused the nations of Western Europe to the Crusades; Arnold of Winkelreid drew a sheaf of spears into his heart; and Howard "gauged the dimensions of human misery." For this, in the plenitude of mercy, Jesus of Nazareth endured the cross, despising the shame. The one subject for consideration now is how to distribute wealth fairly amongst those who help to create it.

"This association of poverty with progress is the great enigma of our times. It is the central fact from which spring the industrial, political, and social difficulties that perplex the world, and with which statesmanship, philanthropy, and education grapple in vain. From it come the clouds that overhang the future of the most progressing and self-reliant nation. It is the riddle which the sphinx of fate puts to our civilisation, and which not to answer is to be destroyed. So long as all the increased wealth which modern progress brings goes but to build up great fortunes, to increase luxury, and make sharper the contrast between the house of Have and the house of Want, progress is not real and cannot be permanent. The tower leans from its foundations, and every new story but hastens the final catastrophe. To educate

men who must be condemned to poverty is but to make them restive; to base on a state of most glaring social inequality political institutions under which men are theoretically equal is to stand a pyramid on its apex.”*

It is not necessary to multiply quotations. The pages of all political economists, the columns of all the newspapers, the records and evidence of Poor-Law Commissions, and the inquiries into the state of the agricultural labourers, the everlasting wail that goes up to Heaven from the poor; the articles in magazines, the speeches of the leaders of all political parties, and the thrilling appeals for help and for assistance uttered by a thousand voices, all with dreadful unanimity testify to the truth of the assertion made.

What reason have we to suppose that the future condition of our people, even in the great colonies of the empire, under existing economic laws, will present features in any degree different from the state of Englishmen, Irishmen, and Scotchmen in the United Kingdom? Clearly none at all.

In the meantime, neither in England nor the colonies is any adequate plan suggested which shall change either the operation of the economic laws or those laws themselves, in order to prevent that oppressive distribution of wealth which at present makes the

rich more wealthy and the poor still poorer. So deeply, indeed, has the injustice of the present order of things been felt by the coldest and most dispassionate of men, that they have been willing to pass into the deepest shade of Communism rather than endure the dreadful evils of the present, if no other means of ameliorating the condition of the labouring classes could be found.

John Stuart Mill, one of the clearest, most comprehensive, and impartial writers of modern times, speaks thus:—"If, therefore, the choice were to be between Communism, with all its chances, and the present state of society, with all its sufferings and injustices,—if the institution of private property necessarily carried with it, as a consequence, that the produce of labour should be apportioned, as we now see it, almost in an inverse ratio to the labour, the largest portion to those who have never worked at all, the next largest to those whose work is almost nominal, and so in a descending scale, the remuneration dwindling as the work grows harder and more disagreeable, until the most fatiguing and exhausting bodily labour cannot count with certainty on being able to earn even the necessities of life,—if this or Communism were the alternative, all the difficulties, great or small, of Communism would be as dust in the balance."

With equal energy speaks another writer and thinker of the present day, one truly of more warmth and enthusiasm than our own great countryman, the

celebrated Belgian economist, M. Emile de Laveleye : —“ When we look with an unprejudiced eye at the present division of this world’s goods, and see, on the one hand, the labourer earning for his daily bread barely what is needful,—less, indeed, than the wherewithal to live if there be the slightest possible crisis, —and then turn our eyes to the other side of the picture, and see the owners of property yearly adding to their estates, and living in ever-increasing ease and comfort, it is quite impossible to bring this into conformity with notions of justice, and one can but exclaim with Bossuet : ‘ The complaints of the poor are just. Wherefore this inequality ? ’ ”

Hear also the verdict of another great Englishman, John Ruskin : “ For most of the rich men of England it were indeed to be desired that the Bible should not be true, since against them these words are written in it : ‘ The rust of your gold and silver shall be a witness against you, and shall eat your flesh as it were fire. ’ ”

Carlyle wrote volumes of terrible denunciations against the state of things which in his time disgraced his country ; while the whole of one of Disraeli’s novels, “ Sybil,” is devoted to the same subject.

Yet, amid all this sorrow, no adequate plan is propounded for its alleviation. It is impossible to conceal the approach of a great conflict between Wealth and Poverty,—between the classes who own

the wealth of civilised communities and the poor. The rapid growth of population in Europe, whose increasing millions must find food and homes in less densely populated countries, or starve; the unprecedented accumulations of wealth; and the terrible uncertainty of food for the multitude; the seething and bubbling fears and aspirations of great majorities in the different nations,—are all signs of the times which he who runs may read. Every mail, every daily telegraphic summary of news, contains the record of occurrences which show plainly enough the tremendous forces operating beneath the surface of society, and that we are in truth, as Mr. Hyndman has said, “in the dawn of a revolutionary epoch.” There are two causes which conduce to revolution,—oppression and want. In Great Britain both causes operate; in the colonies as yet neither to any great extent. Colonists, however, should remember that they are merely laying the foundations for future generations. In these new lands, unfettered by ancient prejudices or customs, and as yet possessing wide territories of public lands and sparsely populated private estates, we should endeavour so to shape our course as to avoid the dangers which threaten older countries, and find a means of banishing poverty. Our political privileges are already great, and we should now unite in the attempt to build up a system of social economy that will ensure general prosperity and cause want to be unknown.

The next proposition which attracts attention in the records of every-day life is that, in addition to the wide and widening separation between wealth and poverty, labour and capital are antagonistic. They live in different camps; they display different sympathies. And the contentions between them in the colonies are as fierce and bitter and prolonged as in Great Britain.

No adjustment of differences, no courts of conciliation, no reference to arbitration, will or can, under the social economy which has hitherto obtained, reconcile the conflicting interests of capital and labour.

While considering the want and poverty which are revealed in modern society as the lot of the great majority of people, it is proper to consider the cause or causes of that poverty. This condition of the working classes certainly does not arise from the decrease of national wealth. No age has witnessed such a rapid and extensive increase of the aggregate possessions of communities as the last fifty years has shown in the British Empire and the United States. While the population of Great Britain and Ireland have not *doubled* during the last half-century, the aggregate wealth of the United Kingdom has at least *quadrupled*. Nor has this condition arisen from losses and sufferings entailed upon the multitude by adverse fate in war, such as in other days brought nations into bondage. On the contrary, the wars of the last

century have vastly extended and developed the possessions of the empire, and opened fresh fields, practically boundless in extent, for the production of fresh wealth.

Nor can it be attributed to famines, which oftentimes have reduced people to the point of starvation. Here again the opposite is the case. All regions of the earth have poured forth, and still continue to pour forth, their treasures of food and clothing, of fruit and gold, pearls from the sea, diamonds from the mines, and all the products of a rich and ungrudging nature. Commerce suffers, we are told, not from stinted supplies, but from a continuous glut of overproduction. Wonderful paradox! A continual glut in the markets of the great nation, whilst vast numbers of the English people are ill clad, half fed, and housed in pig-styes.

Nor can it be traced to another cause which in the Dark and Middle Ages filled Europe from time to time with suffering and dismay; the Pestilence is not responsible. Sickness there has been, the cholera, the small-pox, and the typhus have indeed visited the Western Islands, and have caused bereavement and sorrow in every circle.

But the peculiar and remarkable disparity in the social conditions of different classes has not been by them affected.

There are some writers who attribute the condition of the poor generally to want of thrift, to

prodigal expenditure and drunkenness.. As for the "prodigal expenditure" of which a man can be guilty who earns twelve shillings a week, and has to keep a wife and children besides himself, I leave that to others to explain and to define.

Nor does it arise from any grave inequality of law or class legislation. The positive laws of a country cannot include within their proper scope and jurisdiction either the production or distribution of wealth. The differences in the eye of the law between the various classes in the State are rapidly vanishing. Yet with the increase of political power and influence the industrial population do not enjoy a corresponding equality and fairness in the distribution of the national possessions.

The reason of this is obvious. The laws and science which govern the production and distribution of wealth are entirely distinct from politics. The Socialists point to the great public services conducted by the Government, Post Offices, Telegraphs, Public Works, but it will be seen upon examination that these have nothing to do with political or social economy, strictly so called. They are but services rendered to the public by the public. They do indeed afford employment and thereby the means of livelihood to large numbers of citizens and subjects of the Crown. But they do not include the production of wealth from nature ; the manufacture of natural objects ; the commercial dealings between classes,

communities, and individuals; or the distribution and enjoyment of created wealth amongst the people.

They afford protection and a general power of regulating the conditions of social life. And I believe that the Government of a country, which, after all, is but the embodiment and representation of the whole life of the people, may wisely and properly go much further than any Government has yet gone in aiding the voluntary efforts of its subjects to obtain from land and natural agents the means and appliances of a life of comfort. By a judicious use and administration of the public lands; by the intervention and assistance of public credit; by using the vast forces and power at the disposal of Government, not merely to provide postal and telegraphic communication, but to afford also swift, easy, and economical means of transit both for men and merchandise on land and sea; and by encouraging voluntary associations for mutual help upon a wider basis and with more extended powers than any which have hitherto existed, Governments may yet, without undue interference with the liberty of the subject, lend powerful and useful aid to the nations over which they rule.

The causes which have produced results so eminently disastrous and full of peril have been the subject of much discussion and inquiry. The improvident habits of the working classes, idleness, drunkenness, ignorance, the maintenance of great

standing armies, the strange and unaccountable depressions of trade and commerce which, from time to time sweep over the nations like the plagues of the Middle Ages; the rise and spread of Socialistic and Revolutionary ideas, the dependence of commerce upon the precious metals as the sole medium of exchange and standard of value, are all advanced by different writers as the cause of poverty among the labouring population. But all these are manifestly inadequate to account for the result so much deplored. They would, indeed, be sufficient causes for a general and universal depression, but they are not sufficient to afford a reason for the disparity between the conditions of different sections of the same community. It is manifest that in almost all countries, especially in those where the lines of demarcation between riches and poverty are most widely sundered and distinct, the aggregate riches are increasing at a speed and in a volume heretofore unparalleled. Not one of these causes, therefore, nor all combined, can be sufficient. We must find some other cause for the present condition of things. It is not the absence of wealth in the community, for that abounds more and more; it is the partial and unequal distribution of that wealth when created which alone accounts for the luxurious profusion enjoyed by the minority, and the absolute or comparative misery endured by the many. Nor is there any hope of a reformation in this matter until some method shall be discovered by which the

treasures obtained from nature by human labour shall be, to some extent, fairly shared amongst those who help to produce and create them. If all the causes of poverty and suffering hitherto alleged could be at once destroyed; if idleness, ignorance, and drunkenness were buried in the past; if standing armies were for ever disbanded; if trade were at a permanent level, and the restraints and difficulties imposed by a monetary standard of gold and silver discarded from the laws of commerce; if Socialism and Revolutionary theories were forgotten; and the distribution of wealth were yet still governed by the pernicious economic laws which now exist, want, hunger, penury, and wretchedness would remain the heritage of the multitude, greater and more boundless wealth the patrimony of the few. The only hope for the future of civilised mankind lies in the discovery and application of a system of economic distribution which shall be at once just and practicable.

So imperious is the demand for change and reform in this direction,—so beneficent the end to be obtained,—that the highest efforts and the most constant thought may, with hopes of ultimate benefit to mankind, be properly directed to the solution of the problem thus presented.





CHAPTER II.

Gradual cultivation of practical economics—Modern economy founded on a passion for gain—Difference between chrematistic and economic, modern science chrematistic—Mongredien—scope of political economy—Blanqui—Theology, politics, therapeutics, and political economy compared—Professor Huxley on liberal education—Uselessness of such advice—Political questions and parties fading—Irish question one of economics and of food—Signor Giovagnoli's speech to the Italian Parliament—Churches waking to importance of economics—Lambeth conference on Socialism—Certainty of successful issue under a proper system of economy.

IN every age, the production, exchange, and distribution of wealth have been practised. Through the earlier days of history a very simple plan existed. The patriarchal age made but little demand upon a scientific system. The head of the household was the owner of all. His children were in a sense, especially as they arrived at maturity, part owners of the family property, although in different countries some individual members of the family were more highly favoured than others. During those primitive periods, when pastoral and agricultural pursuits engrossed the main portion of human industry, there was but little even of practical exchange, and comparatively little

distribution of wealth. Gradually as communities arose, to satisfy the demands of a rapidly-increasing population, when all the diversified wants of society pressed forward for satisfaction, a practical political economy was developed, suited to the exigencies of different periods and races. Thus all human knowledge has been obtained. Man has been the same in all time. In those dim ages, of which no certain record now exists, the history of which must be gathered from fable, legend, and tradition, from the pyramids of Egypt, the rocky tablets of Petra, the sun-burned bricks of Nineveh, the golden shields of Agamemnon, and the treasure-chest of Priam, king of Troy, man was as man is now. Heroes brave as Ney or Picton, led their hosts to battle. Intellects as clear as those of Newton or Laplace observed the laws of nature. Orators as eloquent as Burke or Mazzini charmed the ears and hearts of men. All through the long record of human powers and of human vice there is no change. Men were as great and as degraded in the days before the historic period as they are to-day. But knowledge has marvellously increased. In all paths of learning men have but gradually become acquainted with the natural laws which govern the different parts and developments of social life. After the family rule had ended, the tribal rule commenced. In this also the weak and the poor were cared for. The very slaves were at least tolerably sure of food and shelter. To this succeeded the despotic form of political government. Here also,

although the social conditions of different classes were growing more strongly contrasted, and the distance between poverty and riches widened, there still remained till the latter part of the eighteenth century something of the old sympathy and fellow-feeling. Before the time of Christ, Aristotle and Xenophon had taught that a system or science of wealth really existed. As the sanction of Divine authority had in the Mosaic Books been given to the merciful proprietorship of land, and to the kindness of neighbourly feeling, so the Athenian philosopher placed on record the human and mundane foundation upon which even now the science of political economy is built. The great pupil of Plato clearly pointed out the difference between the two branches, or principles, of economic science. The mere desire and effort to accumulate wealth he denominates "chrematistic."* Chrematistic is solely the art of making money. Economic, on the other hand, is the art of gaining a livelihood, or of obtaining wealth for useful purposes. It is the procuring and enjoyment of those things which are necessary to existence, and useful either to the household or the State. The very term used to express it, the *law or order of the house*, is significant. It is a pity that in all the contentions that have raged during this century upon the subject, Aristotle's wise definitions have not been remembered. The two principles have been

confounded in all modern teaching. But there is a strong bias towards chrematistic philosophy in all its teachings.

“The inextinguishable passion for gain,” says one of the greatest economists,* “the *auri sacra fames*, will always lead capitalists”; and nearly all masters of this science agree that this principle of covetous selfishness is the foundation and the key-stone of both theory and practice.

It is worthy of remark that many of the modern economists simply consider the chrematistic science as the whole of political economy. Guyot and Roscher are striking exemplifications of this tendency. Among English writers Mr. Mongredien stands pre-eminent in this respect. In his book on “Wealth Creation,”† published in 1882, although he does indeed make a doubtful promise as to writing a further book on the co-operative distribution of wealth, he considers the whole subject from the one point of view indicated by the title of his work. To him, as to all the economists, the increase of wealth means the increase of comfort and the means of subsistence for all, especially the “labour-sellers,” as he calls the industrial classes. One of his earliest, and undoubtedly his main proposition, is,—“The more wealth there is created, the more

* McCulloch, “Principles of Political Economy,” p. 179. London, 1830

† “Wealth Creation.” London, 1882. Cassell, Peter, Galpin, & Co.

there is for distribution, and the more 'objects of desire' fall to the lot of each human being."* It is evident that under our present system this is altogether erroneous. Would that it were true. Under a proper system, no doubt, it would be true; but Mr. Augustus Mongredien, in common with the rest of the apostles of this school, is ignorant of the nature and laws of the distribution or enjoyment of wealth.

The science of Political Economy deals with all that concerns the temporal and material prosperity of men. It is limited to the production, exchange, and distribution of wealth; that is, to the causes which induce, the laws which govern, the results which follow the production, exchange, and enjoyment of material good. For the human and temporal nature of man, with all its varied wants and desires, so far as they relate to the possession of property in material wealth, this science is the only guide. We may confidently believe that there is a perfect system of political economy, could we but find it,—a system which, properly understood and widely practised, would always produce from the varied and exhaustless stores of nature ample provision for every reasonable want of every family upon the earth. Every department of human life is governed by its own appropriate laws, both in regard to this world and the world to come. If the state of mankind,—at any rate, of that vast majority which in every

* Ibid, pp. 1, 4.

age is doomed to toil,—is to be improved permanently upon a foundation of independence, of self-help, and mutual help, it must be by a widely-diffused knowledge of the true laws of economics. “Because I think,” says Blanqui, “I have seen in Political Economy a science truly social rather than a theory of finance, I have wished to show as far as the vision of man can extend the providential thread which guides nations in the accomplishment of their destiny. I firmly believe that some day there will be no more Pariahs at the banquet of life; and I find the source of that hope in the study of history, which shows us the generations marching from conquest to conquest in the career of civilisation. By the progress that has been made I judge of that yet to be, and when I see labour, extricated from the Roman galleys, take refuge in feudal servitude, then organise into corporations and fly across the seas on the wings of commerce, to rest at length in the shadow of political liberty, I feel that there is in economic science something besides a question of words, and I trust I shall be pardoned for having sketched in bold outlines the history of its progress through nations and ages.”*

In the same spirit I, too, seek to discover from the history of the past, and from the theories and contentions of the present, those invariable laws which will give to men the proper reward of their

* Blanqui, “Political Economy,” Introduction, pp. 32, 33.

labour, which will disenthral industry from the unnatural servitudes which human error and selfishness have forced upon it, and which will give new hope and new life to the toiling multitudes of every land. It is not possible, nor would it be expedient, to examine minutely the well-nigh innumerable thoughts and suggestions upon this subject which during the course of history have been preserved to us. It is sufficient to take the main lines of thought, the main principles embodied in different theories, and the results which in such instances have ensued from putting theory into practice.

In some cases reason and argument will themselves sustain or disprove the theories advanced, while in others experience will decide for us the truth or falsehood of principles, and the value or worthlessness of plans. Over such wide areas of thought and action both the inductive and deductive methods may be applied with safety and advantage. One branch of reasoning will teach us to fix definitely the lines upon which the greatest production and fullest enjoyment of wealth can be obtained; the other may enable us to project more or less luminously upon the future those just laws of distribution which will produce a happy revolution in the household records of labour. Allusions may be made to and instances quoted from tradition and the days of early history, but it must be borne in mind that it is only since the commencement of modern history that the human mind has in

any sense attempted to reduce to order the science of Political Economy.

“Political Economy,” says a very learned author,* “is not, as we have just said, a *new* science. It has been a *distinct* science only a short time. Until the eighteenth century it was confounded with philosophy, morals, politics, law, and history.”

In what manner, under what aspects and phases, and with what success those attempts have been made I shall consider.

It is a remarkable circumstance that in regard to the greatest of all temporal questions, namely, the condition of the toilers among civilised communities, and the solution of that problem which threatens, if unsolved, to destroy civilisation itself, no definite principles of action have been agreed to, and neither an object to be attained nor a clear and distinct path to be travelled has been resolved upon.

French and German Socialists seem up to the present day to have formulated no such plan without the formula itself becoming the rock on which the agreement between teachers and professors must be broken and shattered. Even the International, at its last meeting at the Hague, divided into two factions, one holding the tenets of Karl Marx, the other those of Michael Bakunin. The latest apostle of progress,

* Wolowski, “Essay on the historical Method,” introduction to Roscher’s “Political Economy,” 13th edition, translated by J. J. Lalor. Vol. i., p. 25.

Mr. Henry George, in proposing the remedy which he offers to mankind,—the nationalisation of the land, or the taking of all rent values as taxation,—is making a proposition which, in the first place, cannot be carried into effect without a revolution, and, in the second place, confers but comparatively slight benefits upon the mass of the population. The schemes of English Socialists, as propounded by Messrs. Hyndman and Morris in their most recent speeches and writings, and defined in the Social Democratic Federation, are of the vaguest character, and present no foundation on which to erect either a mental argument or practical effort. That the State can do much is certain, but that the State should absorb all individual effort and crush all individual ambition is impossible. If it were possible, it would only amount to social suicide.

There are four branches of science which intimately affect the existence and welfare of men :—

Theology, or religious science, which regards the moral conduct of men and their spiritual welfare in this world and the world to come respectively.

Politics, which affect the relationship of men to each other in human governments.

Sanitary Science, which has to do with the study of health and the physical well-being of men; and

Political Economy, which relates to and governs

the production, exchange, and distribution of all those material objects that minister to the sustenance and comfort of men.

Religious truth, so far, at any rate, as it proceeds beyond the teaching of mere morality, depends, and must depend, upon revelation. No system of religion ever yet existed which did not claim as the ground of its authority a revelation from unseen and undiscoverable sources. In all, the foundation of their claims to authority was that a word was spoken by the Unseen and Superior Being to the creatures whom He governed. The Christian faith is in no sense singular in this. Reason itself proves to us that all knowledge obtained regarding a world unknown, undiscoverable, and imperceptible to our senses, must, if enjoyed by us at all, be so enjoyed by communication from that world itself. Science can teach nothing concerning its laws; discovery cannot explore its habitations; experience cannot impart wisdom concerning it. The fountain and source of all knowledge or belief concerning the attributes and commandments of the Divine Ruler must of necessity be found in revelation.

The study of politics is different, for that lies fully within the scope of human thoughts, powers, and experience

The history of mankind is mainly composed of records upon this subject, which has always exercised the minds of men. Concerning it, we have arrived through long historic experience, if not at

ultimate perfection, at any rate at an approximate justice and wisdom. Especially is this the case among the English communities of the earth. No doubt, further developments of knowledge and an increasing sense of justice will in many directions advance the practice as well as the theory of true freedom. It is, however, unnecessary and impossible to believe that any complete or fundamental change in our forms of government would advance the interests of our people or settle their liberties upon a firmer basis.

The laws of health are manifold: the study of the structure of the human frame, the operations and workings of the different parts of that wonderful machine the human body, have well-nigh reached perfection. But so completely interwoven are the mind and the soul with the body of man that diseases, disorders, and maladies of innumerable kinds prove inscrutable to our most searching inquiry and defy the skill of the physician.

Political or social economy is yet in its early stages of development. As we shall directly see, two schools and two leaders only, and those absolutely recent in time, have as yet attempted to determine and to develop the laws of this science. Yet, next to religion, it is undoubtedly the most important to mankind.

As a true and correct theology must perforce include within its limits a possible happiness and

salvation for every living soul, as a perfect and correct system of political government will have regard to the rights and liberties of each individual in the State; as true sanitary laws will provide for the health of all classes and of every family in a community; so a perfect system or science of political economy will ensure the greatest amount of production, the widest and most beneficial exchange, and the most complete distribution of the aggregate wealth of a nation or of a district. Until a limit shall be placed to the productive powers of nature; until population shall have so increased as to outrun the possibilities of production, not from onepot, nor from one country, nor from one continent, but from all the earth, a true and wise system of political economy will ensure ever available opportunities for labour, and such rewards to the labourer, as will banish want from the homes of the industrial classes, and will restrict the necessity of charity or eleemosynary aid to cases in which the recipients are physically or mentally incapable to compete in the labours of life. Nay, such a science, carried to its ultimate limits, would provide from the superabundance of Nature's gifts a reserve fund, out of which all such cases should, as a matter of public policy and justice, be provided with the means of subsistence. Nor would the benefits arising be restricted to the certain possession by the labouring classes of ample means of subsistence merely. Time for recreation, at stated and frequent intervals, could be afforded;

periods of rest for body and mind, for study both in nature and art; and education, both physical and intellectual, would become the common heritage of all. There exists no reason why every boy or girl born into the British Empire or the United States should not participate in those amusements and pastimes which the English, as a people, passionately love. Reason and logic will both show that, under a system such as I have mentioned, knowledge, which is power, would leave the small and petty channels in which for centuries it has been confined, and flow in infinitely deeper and wider streams, the limits of which should be co-extensive with the existence and capacities of the whole English race.

It is difficult to regard possibilities so wonderful in the future development of the national prosperity and happiness without an intense desire to behold its realisation. Under circumstances so auspicious, a new era would dawn upon the world,—an era of peace, happiness, and contentment. Nothing can produce such a state of things but the knowledge and practice of a new and perfect science of political economy. This must be obvious to the most superficial consideration. It must be produced and sustained by the simplest and most perfect rules for the production and distribution of wealth. And these rules, or laws, must and will in their very nature and existence, form a complete and perfect science of political economy.

Exceptions may, and no doubt will, exist. To the

simple religion of Christ, with its promise of peace here and eternal life hereafter, many are found opposed. The mind can hardly imagine a state of politics to which there shall be no opposition. Their name is legion who disregard or treat with contempt the laws of health. And the covetousness and selfishness of humanity, the indolence and vice which unhappily characterise numbers in every community, will be marshalled in opposition to the wisest and most just principles of political economy. But truth is mighty and will prevail. Side by side, and, as it were, shoulder to shoulder, the great principles planted by the hand of the Creator in human existence and character will march onward through desperate conflicts, sometimes defeated, sometimes victorious, to the final victory of truth over error.

The laws of nature, which are the laws of God, are, even to our limited comprehension, at once simple, profound, and perfect. They are, indeed, restrained and limited by each other, but work in harmony. What boundless purposes or infinite manifestation of power and skill may hereafter be revealed we cannot even conjecture; but we can here and now discern, if we do but study their workings with earnestness and humility, that each in its appointed place and operations is perfect and complete in itself, though but a part of the universal machinery.

Thus Religion should include within its control every thought of the mind, every desire of the heart,

and every action of the life ; and no religious teaching or theological science can be true which is not applicable to every human being, past, present, or to come. So with the science of health. That also must include within its laws and regulations the young and the old, the rich and the poor, the bond and the free together. No political science can be correct in every particular and for all purposes, unless in rewards and punishments, in duties and advantages, it includes and controls members of the community, irrespective of any difference in circumstance or condition.

In like manner a proper political or social economy must regard and influence the whole people. In these four branches of the universal law of humanity, true science will give fair and equal advantages to all. Differences there must ever be in appearance, in stature, in mental and physical power. No two countenances, no two characters, are exactly similar. The histories of no two lives, the thoughts and wishes of no two human hearts, would be or could be identical, and men differ and will ever differ as one star differeth from another star in glory. Differences therefore there will ever be ; difference in wealth, difference in position ; difference in power, difference in capacity. And yet upon all, equally and fairly, will rest the sanction and control of natural law. And as in the world of Theology the highest moral and spiritual welfare of each individual in the world's

countless multitudes is desired, as in the world of Health true science will aim at the physical well-being of every living individual; as in a complete political system the widest possible development of individual liberty and safety compatible with the general welfare is the object to be attained; so the true science of political economy will have for its object not only the growth of the aggregate wealth of the human race or of any one portion of mankind, but also the personal well-being of each unit in the social existence and the widest equitable distribution of communal possessions among the various members of the community.

Never before has it been possible to use the terms of logical argument, or to sketch with possible accuracy the circumstances necessary to such an effort to ameliorate the condition of mankind. When, however, the public mind and attention have been directed to the consideration of a more correct system than has hitherto obtained; when, in lieu of the narrow, selfish, and un-Christian principles which have hitherto guided and controlled the study of this subject, a more benign and righteous theory is received, the world will be within measurable distance of the reign of eternal peace and universal plenty.

Of all the sciences which exist it would be difficult to point to one, the laws and phenomena of which lie so completely upon the surface and fully open to discovery as political economy. Production is the result of human effort exerted upon the forces of

nature. Every single article possessed by man has its own history, which can be discovered and written down. Every fish placed upon the marble slabs of the market has been caught by some hand of man. Each loaf of bread, each article of wearing apparel, the houses in which we dwell, the ships and trains in which we travel, the pictures on the wall, each coin we give in payment for goods or services, our wine and fruit and flowers, our books and watches, each implement of husbandry, each existing article used in business or in pleasure, in peace or in war, from a cricket-bat to a sextant, from an umbrella to an anchor, from the good-will of a business to the price of land, is the result from nature of man's presence and labour individually or collectively, and its history can be ascertained, its worth valued.

In exchange also the agencies and results are within the scope of human knowledge. So too all produced wealth may be traced with certainty to the possession of the ultimate recipient. The exact sciences which proceed by fixed and unalterable laws and language,—the existence and operation of which can be under all circumstances absolutely demonstrated,—are indeed more strict and invariable. But the various processes of political economy lie equally within the domain of fact and history. The difficulties and variations which surround other subjects of investigation do not exist here. No matter of mental speculation or of opinion here defies calculation. No human passion

can prejudice, or affect the existence of the facts and processes of production, exchange, and distribution. Every year so much wealth is drawn from nature and finally distributed amongst men. Every year the national wealth accumulates and is shared out amongst its holders. While the facts can be so surely ascertained the value of true knowledge upon this matter cannot be overrated. No other branch of learning, at any rate so far as this world is concerned, can pretend to equal this in importance. Other studies confer great benefits upon the human family. sanitation, chemistry, music, ethics, astronomy, philosophy, history, mechanics, politics, dynamics, metaphysics, numbers, literature, and the fine arts, each and all add to the powers and pleasures of man. But political economy is that which concerns his food, clothing, and shelter; the reward of his daily toil, provision for his declining years, bread for his wife and children, the means of existence for them all.

It is impossible to argue or reason properly upon the distribution of the good things of this world without having some approximately correct idea of true economic science, and the laws through which that science operates.

As every individual instance of sickness is due to some breach of sanitary laws; as every case of crime arises from the disobedience to moral or positive ordinances, so every example of want or poverty must

be traceable to an infraction of the rules of political economy properly so called. So far, however, from the truth are all the current systems, that the speculations of economists concerning the wretched condition of the masses are either, like those of Mr. Malthus, diametrically opposed to the religion of Christ, or, like those of the Manchester School, to humanity, and would, if carried to their ultimate conclusion, produce, first, a condition of capitalistic monopoly unequalled in the annals of history, and last, a revolution which would go far towards realising the dreams and hopes of Nihilism. The increase of population, however numerous and rapid, ought not to deprive one solitary family or individual in the empire of proper food, suitable raiment, and sufficient shelter ; but the great increase of national wealth, if achieved upon the present principles of selfishness, individualism, and unrestricted competition, must lead, ever more and more swiftly as we near the edge, to a Niagara of national destruction. It is depressing, while considering this subject from many points of view and in many different lights, to recognise the wonderful and wide - spread ignorance which exists upon a matter of such vital importance.

One might suppose, after reading the very numerous dissertations upon this theme, that every argument had been worn threadbare, that every field of discovery had been explored, that every plan possible to

human ingenuity had been discussed, in or from which might be found a system for the amelioration of social sufferings, the abatement of enforced idleness, poverty, and hunger, and the fairer and the more equal distribution among men of the bounties of nature and the rewards of toil. But a discursive view of economic literature is sufficient to prove, beyond doubt, that even learned men are ignorant of the principles which control the distribution of wealth; that they look upon the present unnatural and dangerous position of things as fixed and unalterable; and that they counsel the wretched victims of the present pernicious and oppressive social economy, to submit patiently and with resignation to evils which, according to them, arise inevitably from the order of nature and the decrees of God.

Thus the churches have in their catechisms and from their pulpits preached submission and resignation. Thus, too, the teachers and philosophers of a purely human and materialistic science inculcate the same doctrine. In a paragraph quoted by the Marquis of Blandford, Professor Huxley thus speaks in one of his lay sermons on Liberal Education:—“A workman has to bear hard labour and perhaps privation while he sees others rolling in wealth and feeding their dogs with what would keep his children from starving. Would it not be well to have helped that man to calm the natural promptings of discontent by showing him in his youth the necessary

connexion of the moral law, which prohibits stealing, with the stability of society,—by showing to him, once for all, that it is better for his own people, better for himself, better for future generations, that he should starve than steal? If you have no foundation of knowledge and habit of thought to work upon, what chance have you of persuading the hungry man that a capitalist is not a thief ‘with a circumbendibus’? And if he honestly believes that, of what avail is it to quote the command against stealing when he proposes to make the capitalists disgorge? ”*

And this is the stuff which the leaders of modern thought offer, not only to the ravenous multitudes, but also to those who, with eager inclination, desire to lead those ravenous multitudes to a happier future, and are seeking for some pillar of cloud and fire to guide them in the way. These husks that the swine might eat, whether dealt forth from the pulpits of orthodoxy or pronounced by the teachers of Rationalism, are uttered as the gospel of salvation for the people. If in lieu of nonsense such as this, when thus applied, these teachers would show to the hungry multitudes and to their starving children a way by which they might enjoy the bounteous harvests of the earth, breathe the fresh air of heaven, behold the glories of nature, taste the delights of mental and physical recreation, imbibe some feeling of honourable ambition, and while drinking from the now untasted stream of happiness, have time,

* *Nineteenth Century*, February, 1882, p. 229.

opportunity, and inclination to worship God and to rejoice in His goodness,—then, indeed, they would be worthy of the lofty position which they hold among their fellows. This great question modern thought and experiment must solve. All political questions are fading in their significance. All political parties are lapsing into confusion. The old land-marks are disappearing; the old war cries losing their meaning or their force. The one subject which, so far as the British Empire and the States of America are concerned, is destined to pre-eminent and immediate importance, is the subject of certainty of food for all, and of some just distribution of the products of nature and of labour among the people. The Irish question itself, which has kept Great Britain in a ferment for so many years, will ultimately resolve itself into a matter of economics and a certainty of the means of subsistence. The evident tendency towards this state of things is more clearly seen and acknowledged in foreign countries and by Continental philosophers and politicians than in England or by Englishmen. What voice in the English Houses of Parliament has ever given utterance to words so plain and significant as those spoken in 1881 in the Italian legislature by Signor Giovagnoli:—"The economists and financiers in the chambers pay too little attention to the world outside. They have forgotten the existence of eighteen millions of the working classes who contributed largely to the charges of the

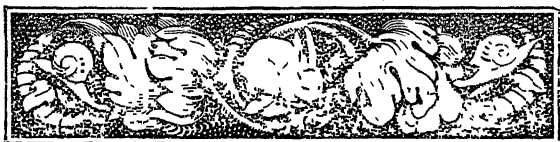
State and upon whom the tax now under discussion " (the grist tax) "presses most heavily. In past times religious belief helped to mitigate the sufferings of the poorer classes, but now that science has done away with the religious delusion, even the poor aspire in this world to their share of happiness, of bread, of meat, and of wine, and unless science can also do away with the delusion of these necessities, social violence will make short work of legislation and legislators." The most satisfactory sign of the present day is found in the earnest efforts of a considerable section of the English Church to teach and practise a wiser economy than now obtains. The report on "Socialism" at the recent Lambeth Conference is a noteworthy and hopeful sign of this tendency.

Every human being has wants, the satisfaction of which is necessary to existence. The aggregate toil of a community, even in the rudest ages, was always more than sufficient to provide the necessities of life for its members. A great margin of production was always possible, even under the rule of ignorance and the most unfavourable conditions. Now the labour of man can produce far more than enough for his subsistence. Each year beholds a vast increase in the surplus wealth of the English world, and this too is achieved in the face of wasted time, vicious economic laws, the enforced idleness of millions, unutilised territories, and the expenditure of countless treasures in war, strong drink, and useless prodigality. The true worth

and power of the great mass of the English-speaking race can never be known until all the millions of our people shall be above want and the fear of want; until that position is assured to them as a reward for their labour, until all are able to obtain the elements of a plain education, and until every child born into the world amongst us shall have a well-founded hope of success and happiness in this life as well as in that which is to come. Food, clothing, shelter, and education, not stinted in extent nor inferior in quality, may yet be ensured from the cradle to the grave, and that, not as a gift of charity nor a pauper's portion, but as the rightful reward of labour. And added to these such leisure and such participation in, at any rate, some of the comforts and even luxuries of life as will tend to elevate the mind and satisfy the higher wants created by increased knowledge.

Removed from the region of despair into that of comfort and hope,—free to think and work for the general good,—how would the efforts of great multitudes aid in the general success? How high would be the standard of public and private life?

A revolution of this nature, to be lasting, must not be brought about by violence, nor accompanied by great and undue excitement. It must be a peaceful change, wrought out by reason, by argument, and by example, resulting from and in accordance with a natural and proper science of wealth.



CHAPTER III.

Columbus and the new crusade—Gradual rise of economic thought—The mercantile system—Quesnay and the Physiocratic School—The land nationalists—Physiocrats—Multifarious springs of wealth—Quesnay the pioneer—Adam Smith and the Wealth of Nations—Smith's position—Theory of Moral Sentiments and Wealth of Nations contrasted—Evil foundation of selfishness—Smith only summarising former systems, and adding suggestions as to distribution—His great authority—Its disadvantages—Erroneous teaching as to the source of wealth and measure of value.



IN attempting a review of the history of Political Economy, so far as it has been brought within the boundaries of knowledge as a distinct science, the horizon is limited by that period at which commences the real development of modern civilisation. The dreams of Columbus may yet be found prophetic of the ultimate condition of civilised humanity. For, although in these days almost forgotten, it is certain that the one dominant idea in the mind of Columbus while prosecuting his immortal voyage across the Atlantic was the commencement of a great and final crusade. To this end the treasures, the gold and silver, the power and influence which might flow from

his discoveries were all to be devoted. For this he waited upon the pleasure of kings, braved the mutinous disposition of half-starved seamen, faced with triumphant serenity the storms of the Atlantic, and gave to the world a new and boundless heritage across the Western Ocean. For this he implored the prayers of the faithful and the assistance of the brave; for this he sacrificed ease, comfort, and ultimately life itself, while invoking in such a glorious effort the approval and guidance of Heaven.

Strange if the dreams of Columbus should yet be realised in a fashion and manner which he never could have anticipated; if the discovery of the Western Continent, and the aid which that discovery lent to the development of modern progress, should bring about a true crusade of mercy and of love, not to rescue the tomb of a dead, but the living temples of a living Christ. The science of Political Economy, so far as that science has yet been developed, so far as any rules and principles have been laid down in regard to the production and distribution of wealth, is altogether, as we have seen, of modern origin. Indeed, the first systematic efforts made to explore this unknown land, were the voyages of Quesnay and Adam Smith into the untravelled realms of economic thought.

All earlier plans or theories, such, for instance, as the Theocratic Government of the Hebrews in Canaan, the Republic of Plato, the Politics and Economics of Aristotle and Xenophon, or any writings down to the

times of the French and Scotch philosophers, records of the more modern of which are to be found in Cossa's "Guide to Political Economy," and in Mr. Ingram's able article in the "Encyclopedia Britannica," either contained histories of commercial life and practice, rather than rules relating strictly to the production and distribution of wealth, or disquisitions and speculations upon the fiscal policy of Governments rather than Political Economy, as we understand it.

The earliest efforts to lay a logical and scientific basis for the study of the causes of the wealth of nations, or of individuals, was first systematically attempted within the memory of parents of men now living. From the dawn of history, and from ages yet more remote, the records of which reach us only in legends, songs, and customs, the sole method of ensuring material prosperity to communities or families was the general practice of industry in production, manufacture, and commerce, or the waging of victorious war. Gradually, after the commencement of the modern period, an indistinct, but comparatively general, belief arose in Europe that certain causes conduced to the prosperity of communities altogether distinct and apart from the mere industry of their people or the pillage incident to conquest. The shadowy belief then held is known now as the commercial or mercantile system, which, although erroneous in its principles, and pernicious in its results, was the first recognition made of the

existence of such a science as Political Economy, and for some centuries exercised a complete ascendancy over the minds of European statesmen.

The mercantile system was but a clumsy attempt to interpret one portion or branch of natural law. This system laid down generally as its foundation, one postulate, namely, that all wealth consisted in and was derived from possession of the precious metals, and that commerce, which brought gold and silver into a country, alone created it. Thus, capital as developed in the precious metals was the sole source and substance of wealth. The mercantile system has still its exponents in those who favour the doctrines of protection, and in the adherents of a metallic standard and currency. When increasing commerce, discovery, and invention compelled the nations to realise the truth that they were all but members of one family, and that there was wealth outside and independent of mere gold and silver, the mercantile system was broken to pieces and crumbled into ruins.

The decay of this system preceded and helped to stimulate those inquiries which led to the investigation of the sources of wealth for the purpose of ascertaining the laws which governed production. As exchange had under the old system claimed exclusive attention, so under the new ideas which now began to ferment in men's minds, production assumed not only the most prominent position, but

claimed for itself the sole right to regard. The change thus produced, however, did not merely mean the placing of one portion of the science in the position formerly held by another. It was a far greater change than that, and one of more serious import. It arose from the well-founded belief in the mind of one great man, that there were laws which directed the production of all wealth,—considered in its wider sense; and that these laws could be discovered and revealed for the happiness of mankind. To this task the one man devoted his best powers.

“The celebrated M. Quesnay, a physician attached to the Court of Louis XV., has the merit of being the first who investigated and analysed the sources of wealth with the intention of ascertaining the fundamental principles of Political Economy, and who, in consequence, gave it a systematic form and raised it to the rank of a science.”*

Quesnay assumed as a self-evident truth, and as the basis of his system, that the *earth or physical nature is the only source of wealth*. Hence his system is called the “Physiocratic.” He divides society into three classes. The *first or productive* class, by whose agency all wealth is produced, consists of the farmers and labourers engaged in agriculture, who subsist on a portion of the produce of the land reserved to themselves as the wages of their labour, and as a reasonable

* Adam Smith. Fifth edition. Introductory Discourse, by J. R. McCulloch, pp. 40, 41.

profit on the capital; the *second* or *proprietary* class consists of those who live on the rent of the land, or on the net surplus produce, etc.; and the *third* or *unproductive* class consists of manufacturers, merchants, menial servants, etc., who derive their entire subsistence from the wages paid them by the other two classes, and whose labour, though exceedingly useful, adds nothing to the national property.

• To the group of philosophers gathered round the three founders of the new system, Quesnay, Turgot, and Gournay, we are indebted for the rudiments of scientific thought and inquiry on this the most important of all temporal subjects to mankind. Quesnay first directed attention to the sources of wealth, to the means and methods of its production, to the mode of its distribution, and to the respective positions occupied by different classes in the light of political economy. In every age monuments have been raised to commemorate the actions of men or the possession of character worthy of the admiration of posterity. But many of the greatest benefactors of mankind have gone down into the grave silently, leaving behind them not the lofty pillar, the stately mausoleum, or the sculptured marble, but a thought or word of truth which has grown, flourished, and borne glorious fruit in generations and in ages long after the name and memory of the speaker or thinker have been buried in oblivion. Thus no statue, no monument records the virtue of Quesnay, but in ages yet

to come, when a true political economy shall, with the blessing of God, have driven want and penury from the abodes of men, the meed of praise will be uttered and loving memories will be cherished of that French physician who, amid the cares, the ambitions, and the follies of the Court of Louis XV., found time to indulge his feelings of beneficence towards humanity by tracing out the first rude track towards universal plenty. One result of the inquiries and speculations of this group of philosophers, was the proposition by M. Gournay to abolish all existing taxes, and in their place to impose one single tax (*l'impôt unique*) which was to be based directly upon the rent of all land in France. It will be seen that the reasoning of the physiocrats was founded upon the assumption that all wealth proceeded from land or nature, which was primarily national property, and that therefore all the expenses of government must be borne by a portion of that wealth. Hence the proposal to abolish all taxes, and levy one tax upon land and rent of land was, according to their theory, in the highest degree philosophical.

The physiocratic system never exerted any powerful or extended control over the intellect or the economic life of the nations.

One of its principal errors, as pointed out by Mr. McCulloch, called by him its "capital" error, lies in its representing the class of artificers, manufacturers, and merchants as altogether barren and unproductive.

The physiocratic system, like the mercantile system, contained a partial truth. Nature is, indeed, strictly speaking, the sole source of wealth, but before that wealth can be developed and enjoyed, labour has to be bestowed upon it, and this in so many forms and in such manifest and diverse directions that for all practical purposes nature and labour are co-operators as the producers of wealth. Nor is the physiocratic system without its disciples and exponents in these days. Two of the most prominent are Mr. A. R. Wallace and Mr. Henry George, both of whom, especially the latter, in the promulgation of the theory of land nationalisation, take up almost the identical position assumed by Gournay. The teachings of the modern masters are uttered in clearer light and with greater knowledge. Yet even under these favourable circumstances, their theories and arguments do not compare favourably with the logic, the common-sense, and the philosophy of their intellectual progenitors. It is somewhat remarkable that Mr. Henry George, in his now celebrated book, "Progress and Poverty," advocates and claims the authority of Quesnay for advocating the identical plan proposed by Gournay, that of a solitary tax upon the rent values of land. The premises and principles of the physiocrats are imperfect. In the wide and general sense in which they seek to use and to apply the term, wealth is not solely derived directly from land. Nor are the classes properly divided in their theory.

The swift, but gradual increase, of wealth in modern communities is the result of a complex system of causes and results. The great river of national prosperity is fed by a thousand rills. Agriculture, manufacture, commerce, art, science, literature, the pastures which sustain ever-increasing flocks and herds; the earth, whence come coal, iron, gold, jewels, silver, copper, and other treasures, forests, harvests, and fruits, fish from the sea, all help to swell the deep and mighty volume of that tide whose streams are sufficient to fill the cup of human enjoyment to overflowing.

One class of material possessions is found in the spontaneous gifts and treasures of nature; another is the result of individual industry; another is produced by organised labour and the use of machinery; while yet another is the result of the aggregate existence or labour of the whole society, irrespective altogether of individual effort. The wonderful development and unexampled increase of national wealth in England or the United States, for instance, clearly arises from all these causes combined. It is not as Henry George teaches while following the physiocratic doctrine, the growing value or the use of land alone which gives this marvellous accretion, nor is it, as the Socialists teach, the difference alone between the wages and produce of labour, nor, as the orthodox economists assert, the result of free trade, manufactures, commerce, and unrestricted competition solely.

Manufacture in its varied developments adapted to

a thousand uses; art, invention, and adaptation, all help to create wealth. They take the rough material which nature provides and shape it in innumerable fashions, join it in innumerable combinations, and use it for innumerable purposes. Iron is provided by nature in the ore; man reduces it to a pure metal, cleanses it, converts portions of it into steel, and creates ultimately from the dull stone upon the mountain-side, or from the deep mine, millions of articles of use, of comfort, and of ornament. The oak is grown by nature in the forest, but the hand of man seizes it and shapes it into dwellings and furniture for those dwellings; into ships to carry the fruits of distant countries over seas: thus in many ways and fashions creating from the material primarily provided by nature the wealth which sustains and enriches human existence. Wide areas of land, fertile plains and valleys, advantageous conditions of climate, the riches which nature bestows in her favoured regions, are by no means necessary to a people as their own in order that they should become prosperous and wealthy. Witness the rise and progress of Holland and the overwhelming opulence of the Great Britain of to-day. Regard the history of the Mormon settlements in the deserts of Utah and the comparative prosperity and comfort of the Swiss. What made Genoa rich and famous? What built the palaces of Venice upon her silent waters, and filled those palaces with silk and gold and velvet and

the fruits and productions of many lands? What in ancient days made Tyre and Sidon centres of luxury? or to-day fills London and Liverpool and Manchester with treasures? The weavers and the looms sent forth in ancient days the Tyrian purple, and to-day disperse the textures of Manchester. As the harbours and docks of ancient times gave homes to trade and filled with wealth the houses of their merchants, so now the Thames, the Clyde, and the Mersey are crowded by forests of masts, and the air is darkened by the smoke of steaming fleets which enrich Britain with their commerce. Manufacturers, artificers, and the many workers in the different callings of life, are also engaged in creating, producing, and adapting those articles which tend to swell the aggregate possessions of mankind.

The spirit of enquiry was during the latter half of the eighteenth century fully alive. Between the years 1750 and 1789, when the storm of revolution burst upon France and Europe, the minds of men were in a state of great excitement. Every subject was discussed, every principle attacked, and every theory analysed. It became evident that the doctrines of the physiocrats were not sufficient to satisfy the demand for information upon a subject of such great importance. As the mercantile system was but a clumsy attempt to reduce the methods of exchange into order, so the investigations of Quesnay, and the principles he deduced from them, were merely a crude

effort to elucidate the laws of production and to demonstrate the source of wealth. This was the sole object aimed at, and even in this it was but partially successful. The imperfect and fragmentary character of the principles laid down by these economists rendered it impossible for the physiocratic system ever to assert itself with effect as a complete method. The great value of the work of Quesnay is this, that it revealed the existence of political economy as a distinct science. A new continent had been discovered. Its hills and valleys, forests and streams, its climate and productions might be unknown, but its existence was demonstrated beyond a doubt. And it was certain that, in a time of such exceeding mental activity and intellectual doubt, other men would follow in the steps of these discoverers and seek to explore the treasures of the new world. In the mercantile system wealth had been treated separately from other matters, but wealth had been restricted in meaning to the precious metals, and the only method of obtaining it was by commerce. The speculations and investigations of Quesnay were altogether of a different character. He altered and enlarged the popular conception of wealth, and he it was who first investigated the sources from whence it was drawn, as well as the laws which governed its production, and gave to such inquiries form and method.

Although Quesnay was the first to open the path

of critical investigation, there can be no doubt that to Smith belongs the chief position in the ranks of philosophical enquirers into the laws and principles of political economy.

In the year 1776, after long and careful preparation, Adam Smith gave to the world his "Enquiry into the Causes of the Wealth of Nations," a book which from that time to the present has been the one foundation of political economy. As the French philosopher had been the first to attempt to demonstrate the existence of such a science, Adam Smith was the first to lay down the laws which regulate production, exchange, and distribution. A great step was taken by the physiocrats in the assertion that there was a definite source of wealth, and that it was produced according to fixed laws. But the work of the Scotch philosopher in striving to reduce all the phenomena involved in the production and distribution of utilities, to lay down the maxims and the principles which govern manufacture and commerce, and to adduce motives of universal application from a multitude of chaotic facts, was a work of the highest order of intellectual power. It is of little consequence that both Quesnay and Smith, while correct in some of their main propositions, were on others completely wrong, and in all possessed but partial knowledge. The fact remains eternal that they demonstrated the distinct and separate existence of a science before known only as a part of general

philosophy,—a science which, when elaborated by others who have taken advantage of their labours, will endow humanity with perpetual abundance and give for our temporal and material wants the same blessings which the religion and the faith of Christ bestow eternally upon the soul. Adam Smith, when composing this great work, occupied the chair of Moral Philosophy at Glasgow, and was engaged in a series of ethical teachings, of which the enquiry into the causes of the wealth of nations was but a part.

Smith, in writing his “Enquiry” was completing a work intended to be an integral part of a wider discussion than was contained within the limits of that book alone. In his “Theory of Moral Sentiments,” which had been published some years before, he proceeded upon the assumption that the groundwork of man’s moral nature and action was sympathy. In the later part of his compendious attempt to expound the laws which govern the existence and conduct of mankind he approached the consideration of those causes which conduce to material prosperity. From this point of view the sagacious Scotchman recognised the fact that sympathy was not in the pursuit of wealth the prevailing principle or motive power. In all matters, therefore, pertaining to the acquisition and retention of property, he laid down the principle of selfishness as the governing and ruling force. In short, while in the world of morals man was regarded

as a being, not only capable of, but largely influenced by, the divine principle of sympathy, in the realm of business and the individual ownership of property, he was placed entirely beneath the domination of the lowest and meanest of all motives—that of selfishness. To the present day this teaching has been accepted. The selfish system has been taught in every school and in every university. It has infected every branch of trade in every civilised land. It has been recognised by legislators and endorsed by Governments. Philosophers have adopted it, the ministers and members of the churches have preached and practised it; and after a century of rule it has so engrained itself into and become interwoven with the mercantile life and conduct, especially of the English race, as to amount to a second nature. It has destroyed the kindly feelings, the genial relationships which once existed between capital and labour, between employer and employed. It has brought with it in the race for wealth, the hurry to be rich, that unrighteous and merciless competition which has well-nigh ruined the reputation of our manufacturers, which has turned the multitudes of our labouring classes into mere machines, and which has sacrificed all affection and every principle at the shrine of gold. It has permeated every rank and all callings in the State; it has weakened the patriotic spirit of Englishmen, and, more than all other causes combined, it has beclouded the spirit of the nation with scepticism and infidelity.

In these two cardinal but opposing points of Smith's theories are contained the principles which during the last century have been and still are engaged in a desperate and so far endless conflict.

This conflict is waged over every department of human life. It has roused an intellectual warfare, which at this time engages many of the greatest minds.

Beside the question of the future condition of the working classes other subjects are comparatively trivial. Discovery, invention, political reform, the balance of power, and the thousand and one subjects of public debate are but of passing interest. It is with this question that political economy is particularly concerned.

"The poor ye have always with you" was spoken nearly nineteen centuries ago in a land and at a period in no sense under similar conditions to those which now exist, and still the poor are with us. Not so much, indeed, are the dreadful features of poverty revealed in the new countries where land is cheap and labour dear, but in older communities and in the great centres of population especially, the masses of the people have become the subjects and possessors of poverty more dreadful than that which any former generation of mankind has seen or suffered. More dreadful because of the vast opulence which accompanies it, because of the education which has sharpened the appetite of the multitude for better

things, and by which the working and labouring classes are taught that the splendour and luxury upon which they gaze with ever-unsatisfied desire are the fruit of their toil, the produce of their labour.

The almost immeasurable distances which separate extreme wealth from extreme poverty are not as yet prominently seen in the colonies of Great Britain, but as surely as the day dawns and season follows season in the course of nature, so surely the same economic laws which have produced in other lands the terrible contrast between luxury and want will, as years roll by, produce similar effects even in the richest colonies.

Unless land and capital become the co-operators with, instead of the masters of, labour, there are those now living who in these new lands will yet look with longing but hopeless eyes across the deep abyss which will separate poverty from riches amongst them also. This subject is one which is fairly and properly within the scope of scientific enquiry. There is no more reason to expect a divine or miraculous revelation concerning the laws of political economy, than there is to expect a revelation from Heaven concerning the nature and application of steam, electricity, the differential calculus, or representative government.

In one sense the poor will indeed be always with us. The widow and the orphan, the lame, the halt, and the blind, the impotent and imbecile, the sick

and aged, the victims of accident and cruelty, these and others of similar classes will furnish "the poor" to whom our charity will ever be called forth. But that the able-bodied, the industrious, the great armies of toilers who produce the stores of wealth which enrich modern life should be poor, in this sense, is a scandal and a shame. They are only poor because we are governed by erroneous economic laws. The science and philosophy necessary to enable us to make and to alter the laws governing both the production and the distribution of wealth, are no more difficult to discover than those sciences and that philosophy a knowledge of which enables us to construct the safety lamp or "put a girdle round the earth in forty minutes."

There is no subject about which, in its remedial aspect, so little is known. Certain principles have been deduced from the workings of the various customs of trade, taxation, exchange, and the inter-aspects of land, capital, and labour. The laws which now govern the relative positions of these three last-named forces have been laid down with considerable clearness and certainty, and from them we can see that, while the production of wealth is marvellously increased, its inevitable tendency is to aggregate in the hands of the owners of land and capital, while the owners of labour simply obtain sufficient to preserve that life and those energies which are spent in the creation of wealth which others enjoy. In the

earlier periods of English history under the feudal tenure, the great land-owners held their land in fee from the Crown, either directly or indirectly. The labourers who tilled the land were generally serfs, subject equally with the estates themselves to the lord of the manor. In those days all manufacturing industries were conducted upon a small scale. A master workman, employing a few assistants, held the place now occupied by the mill-owner with his thousand hands, and a merchant owning two or three shallops, carrying in the aggregate perhaps four hundred tons, and manned by thirty or forty sailors, held the same relative position to commerce as is now occupied by the owners of great ocean lines, whose machinery drives a hundred thousand tons of freightage, and whose crews are well-nigh as numerous as the mariners that followed Howard, Drake, and Hawkins to the destruction of the great Armada. In all branches of commerce, of agriculture, and indeed of civilised life generally, the employer was looked upon as the guardian, the ruler, and the friend of the employed. And although wages were small, and many comforts the labouring classes now enjoy were then absolutely unknown, yet there was generally a certainty and a regularity of employment which was a guarantee to the workers, at least of the means of subsistence. Besides this, the country sustained a large class of yeomen or small farmers, who, from father to son, through many generations, lived in

sturdy independence and in comparative comfort upon a few acres of their own land. Then, again, every village had its common land, whereon the cow, the pig, the geese and other poultry, or the horse or donkey of each villager was maintained.

Gradually things changed. Serfdom, on the one hand, was abolished; but, on the other hand, the commons were taken, the lands of the great landed proprietors were released from any equitable or moral right which the people had in them, and became the absolute property of the lord of the soil. Old ties were broken, and no new ones made. Gradually, too, the yeomen perished. The causes which led to the extinction of the yeomanry of England are too various and important to be here discussed. The result, however, is that the yeomanry have passed away, and their small holdings have merged into the estates of territorial magnates. To a great extent also with the commons the villages to which they belonged have vanished; the dwellings of the labourers have deteriorated; and though wages are in many districts higher, and many of the comforts of life cheaper than in olden days, yet the condition of the agricultural labourer is much worse by comparison than it was four centuries ago. The workman is now a free man, and, compared with his progenitors, an educated man. If not taught in the schools, he has learned from the increasing progress which he beholds everywhere around him. In the railway carriage he visits the

great towns ; the newspaper gives him intelligence of all that is going on from day to day in the most distant portions of the earth ; in the village ale-house he hears discussed, with more or less accuracy and information, the leading topics of the age. So life itself for him is a great public school. When he beholds the vast accumulation of wealth in the hands of the higher classes, which affords to them the luxury, the ease, the social distinction, and the means of enjoyment denied to him, and when he reflects that this wealth is mainly created by the toils of himself and his fellow-labourers, he is naturally filled with discontent and envy, wherein may yet, perhaps, be found the seeds of anarchy. Amid such circumstances he is exposed, on the one hand, to the teachings of Socialistic advocates ; and, on the other hand, to the inculcation of the doctrine of passive obedience, and to that blasphemous as well as puerile philosophy which would enjoin him to submit meekly, in the name of reason or religion, to a condition of things which is abhorrent to every sentiment of justice and to every feeling of humanity, such as that which I before illustrated from one of Professor Huxley's lay sermons on " Liberal Education."

Which teaching is most likely to find a lodgment and an echo in his heart ?

In the same manner, the small industries of old, in which master and servant were to a great extent friends and companions, have yielded to the advancing

requirements and increasing capabilities of the great machine and factory system. In these hives of industry armies of operatives, controlling and working machinery which multiplies their labour a hundredfold, produce manufactured goods which supply the wants of nations. Wages here also have advanced, but freedom of person, of speech, and of thought have created wants, reasonable in themselves, but which cannot be gratified. Were we to traverse all the varied branches of human industry, we should find the same unsatisfied wants of the multitude filling the mind with discontent and the heart with bitterness. The sailor, bringing from distant lands through storm and danger the products of every clime, has to be content with the wretched pittance for which he has braved tempests and endured privations, while he beholds the great stream of wealth which he has helped to guide into London or Liverpool or Glasgow flow into the coffers of his employer, or of the merchants whose splendid warehouses line the banks of the Thames, the Mersey, or the Clyde.

So, from the deep recesses of the mine, from the loom of the manufacturer, from the counter of the great shop-keeper, from the cellars of vast breweries and distillers, from every scene of toil, the same sense of injustice and unsatisfied longing is experienced. This law is not created by any statute, for step by step all positive laws which enjoined and confirmed those circumstances which operated against

the interests of the labourers, have been altered or repealed. It is not announced nor supported in the moral law; indeed, its very existence is an absolute and entire contradiction of the second great Commandment.

In reviewing the social condition of the great majority of men,—the wage-earners of society,—it became necessary to give some reasons for the poverty of the many and the opulence of the few. Smith and his followers, including nearly all the masters in that school, have assumed the truth of certain principles, by which to account for the great disparity existing between the conditions of the different classes of society. Throughout the whole of their writings the central sun of their system is capital. This capital, to which they individually ascribe different attributes, and to which they apply different and divers definitions, is exalted by them to the position of a deity. It is capital which employs labour, and while the labourers have, according to the laws thus laid down, to be content with the bare wages of subsistence, the profits of all commerce, of all manufacture, of agriculture, and exchange are offered upon the altar of capital. It is, in truth, the worship of Mammon; orthodox political economy is its revelation; political economists its priests; capitalists, speculators, and middlemen its worshippers; and the toiling multitudes its slaves and victims.

So far as Adam Smith and all those who have

succeeded him in teaching upon the subject are concerned, two assertions may with confidence be affirmed. The first is that the historical facts collated and examined, and some of the principles deduced therefrom, are of great value to every student in this department of knowledge. Such, for instance, are the laws of supply and demand; of competition, so far as its effects are concerned; the laws of wages now existing, as propounded by Ricardo; the principles of combination and co-operation of labour, more fully demonstrated by John Stuart Mill and Professors Cairnes, Fawcett, and Sedley Taylor. The thinkers of all nations during the present century, whether the Socialists of the chair, the school of historical criticism, the French, Italian, and other Continental thinkers, Sismondi, Jean Baptiste Say, and his very able but unstudied successor Blanqui, Victor Hugo, Louis Blanc, together with the whole range of English and American economists down to Henry George, Karl Marx, and H. M. Hyndman, all resort to the work of Adam Smith as the fountain-head of knowledge upon this subject. The very value and importance attached to Smith's work is, perhaps, the main reason why so little progress has been made during the past century. The history of nations and communities; the knowledge which during the last fifty years has been gained as to the effects of commerce; the new principles of combined action discovered through the extension

of co-operative social laws and customs; the advantages possible to be derived from an exhaustive enquiry into, and a comparison of the foundations and principles of the three schools of economic science, have all been overlooked in the species of religious faith with which the work of the great Scotch philosopher has been regarded.

This devotion, both of teachers and students, has blunted the edge of analytic criticism. It has enabled erroneous principles and manifest inaccuracies to stand unquestioned in the canon of belief. In the face of confusion, strife, inequality of conditions, and the appalling contrast between luxury and famine, which are the fruit and harvest of the present orthodox economy, the certain and necessary result of the false foundation and the false principles of the science as it now stands, it still, from every school and from every chair of the civilised world, teaches the mistaken creed of Adam Smith,—the gospel of greed and selfishness. The guiding and controlling principles thus propounded, upon which the present acquisition and distribution of wealth absolutely depend, are only evil, and pregnant with mischief and suffering. The basis is utter selfishness. Capital is the supreme ruler, the aggrandisement and enriching of self by the labour and privation of others is the one object; the result is the dethroning of justice and mercy, and the reign of covetousness, which is idolatry.

Adam Smith does little more than summarise and improve the two previous imperfect theories. The Scotch philosopher endorsed and strengthened the belief that political economy is a distinct science. He showed clearly the errors and imperfections of the mercantile system, and proved beyond a doubt that the science was broader and more comprehensive than the physiocrats supposed.

Smith had, however, no apprehension of the true nature or boundaries of his theme. Every word of the title of his book is significant. It is an "Enquiry" only,—and it enquires merely as to the causes of the wealth of nations. And its final limit is the causes of the wealth of *nations*, not of families or individuals.

This was the scope of his argument. The distribution of wealth when produced among the families or individuals, and its enjoyment by the different sections or classes of the community, did not form an important part of his self-appointed task. The question of distribution might, and did, arise incidentally, but the direct scope of his enquiries embraced only the causes of national wealth, and nothing more. A complete system of political economy must go much further.

In any review of the subject it is not at all necessary to advert to the multitude of matters upon which Adam Smith wrote in his celebrated work. That book, while it contains the first attempt made to treat

the subject systematically embraces also a large number of matters properly falling under other heads and branches of knowledge. It is indeed a mine of wealth from which the student may enrich himself upon many important subjects, from the expense of supporting the dignity of kings, to the history of the Bank of Amsterdam; from the incidence of taxation to the cost of education; from the rise and progress of cities and towns after the fall of the Roman Empire, to the public debts of modern nations; the cause of prosperity of new colonies, and the costs and defects of standing armies.

Useful as Adam Smith has been to the world, venerated as his name must ever be, yet we may well rejoice at the rise of a new school, whose formulæ are different from his, whose teachers and disciples will speak a different language and learn and practise different laws. Human nature revolts at the deadly coldness of unmitigated selfishness, and all its best instincts prompt to association and sympathy. Against the errors of the orthodox philosophy a great war has risen.

McCulloch says of Adam Smith that one of his greatest claims to renown is this: that "in opposition to the economists, Smith has shown that labour is the real source of wealth." But the economists of whom McCulloch spoke, the school of the physiocrats, were in reality a great deal nearer to the truth in this matter than Smith and those who have followed him.

For nature, and not labour, is in deed and truth the primal source of wealth. Labour, whether mental or manual, is necessary to produce or utilise it, but it is produced from nature. In many paths nature herself spontaneously produces it, and but scant labour is required to fit it for human enjoyment.

Were it not that the dictum of Adam Smith has been accepted by nearly all succeeding writers, and has provided a battle-field upon which the most serious conflicts of modern thought have contended, it would seem almost childish to enter into any argument or cite any illustrations to prove that nature and not labour is the real source of wealth.

The mines of various treasures, the exhaustless fertility of the earth, the laws interpreted and developed by invention, the triumphs of art and of literature; everything which ministers to man's life and happiness are all contained in or produced from nature. Labour, indeed, draws forth and utilises these treasures, but all the labour in the world without the elements and forces of nature could not create a single block of coal, a square foot of timber, an ounce of metal, or a grain of wheat. When, therefore, the world rings with disputes between capital and labour, and the nations are harassed by the existence of starving multitudes, the very existence of whom forebodes disasters innumerable, and, at the same time, both those who attempt to defend and to maintain the present order of things and those who

attempt to overturn it are basing their arguments upon the erroneous assumption that labour is the real source of wealth, it becomes necessary to place the subject in its true light. For the arguments are useless and the illustrations vain, if the premises admitted upon both sides as correct be in reality untrue. Nature is the source of all wealth; labour is the instrument by which it is rendered available, whether in agriculture, manufacture, in exchange, or in adaptation. Capital is that which assists and supports labour, while drawing forth from nature and rendering available for human enjoyment all upon which life is maintained and by the enjoyment of which comfort is bestowed.

Nearly all the recognised teaching of modern days has, more or less, accepted and insisted upon the truth of Adam Smith's assertion, that labour is the real source of wealth and measure of value. Not only do the more distant masters of the modern schools insist upon this, but it is still retained as a fundamental axiom. So indistinct are the ideas of the most recent writers upon this subject, that, though some of them perceive the weakness of the argument by which it is attempted to support this theory, yet they do not perceive the simple truth which, by its mere existence, contradicts the whole of the scientists.

Even the clear intellect and logical mind of M. de Laveleye are sorely puzzled at the difficulties presented by orthodox scientific teaching upon this point.

In that very excellent and useful book, "Socialism of To-day," De Laveleye devotes a considerable amount of attention to the doctrines promulgated by Karl Marx, especially in his last work, "Das Kapital." The Belgian philosopher states that "Marx bases his system on principles formulated by economists of the highest authority, Adam Smith, Ricardo, De Tracy, Bastiat, and the multitude of their followers. In reaction against the physiocrats, who derived all wealth from nature, Smith asserts that labour is the source of all wealth. He even makes labour the measure of values. 'Labour alone,' he says, 'is the ultimate and real standard by which the value of all commodities can, at all times and places, be estimated and compared. Equal quantities of labour, at all times and places, may be said to be of equal value to the labourer.' " * De Laveleye then proceeds to show that all the modern economists have followed Adam Smith, and that, accepting this definition as true, the reasoning of Karl Marx and other Socialists is absolutely conclusive. He then goes on to argue the question, disputing and refuting the propositions laid down by Adam Smith ; but very strangely, after conclusively proving the fundamental principle of Smith and of the Socialists *that labour is the sole source of wealth* to be incorrect and erroneous, he leaves the subject altogether without attempting to advance any affirmative statement

* "Socialism of To-day," translated by Orpen, p. 23.

upon this most important point. Some writers accept a truer system of philosophy, and admit that nature is the primal source of wealth, while labour, both of the mind and hand, is the force which reduces it to human possession and prepares it for human enjoyment. But no writer, so far as I am aware, has attempted to deduce from these general statements those important consequences which flow from so simple a fact.

Nor would the position taken up by Marx and the Socialists be at all weakened through the admission of a wider and more correct principle into the argument. The assertion that the labourer receives only a portion of the real value of his labour is incontrovertible. Were it not so, the wealth which is produced from nature by labour would go to the labourer, which it does not, for there is a perpetual and increasing surplus of accumulated wealth remaining in the hands of the capitalist or propertied class after the wages of labour have been paid. The admission of the true principle lends another condemnation to the present system. For it proves beyond doubt that an additional wrong is inflicted upon the industrial classes beyond those which the Socialists themselves assert. The wealth of nature is the common property of all. The discoverer of any new source or fountain of wealth in nature, whether a mine of gold or coal, or new uninhabited lands, or the application of the laws of nature to machinery in production or manufacture, is, no doubt, entitled to consideration from the public.

It may be safely asserted that beyond such recognition or reward, no individual or group of individuals has any natural right to appropriate and monopolise the powers, forces, and capabilities which the Creator has placed as an environment for the present condition of mankind. To take from a man a portion of the real value of his labour is, without doubt, to do him a grievous wrong. But when, in addition to this, that portion of natural wealth which is his birth-right imprescriptible, and bestowed upon him by the Creator, is also taken from him, this is to do him a further injury.

The second proposition contained in Adam Smith's theory, that labour is the criterion and measure of value, is equally untrue and illogical. Labour is no more the measure of value than it is the source of wealth. The value of labour must arise, either from the intrinsic worth of the labour itself bestowed upon some object, or the object on which it is bestowed, or which it produces. How is it possible to make labour,—that is, both mental and manual labour,—of the same intrinsic value or utility? The immortal productions of Plato and of Shakspeare, of Aristotle and Bacon, cannot be contrasted nor compared with the work of a ploughman or the writing of an unknown village scribe. The marble upon which the chisel of Phidias had produced the image of life, the canvas upon which the brush of Raphael had imprinted the face of the Madonna, could not be measured or

gauged, by any common standard of value, with the work of a miner or a blacksmith. It would be absurd to attempt to reduce to any common standard of value the different kinds and the different capacities of human industry. One thought given forth by a philosopher might enrich a nation, while the toils and lives of 10,000 other men might only provide the means for their own subsistence. It is not improper therefore to characterise the theory that labour is in itself the measure of value as entirely incorrect.

It is equally irrational if we consider the value or utility of the objects upon which labour is bestowed or which it produces. One man will toil for years for the completion of some petty task, the draining and improvement of a few acres of land, or the erection of a cottage home. Another by an hour's work may unearth a welcome nugget worth £10,000 or a diamond worth a quarter of a million.

Wages, fees, commissions, salaries, emoluments of every sort, earned by the labour of men, are nearly always, in every land, in every age, in every pursuit, unequal in value; so are the objects upon which industry may be exerted, in their natures, utilities, and intrinsic worth. To expect that a correct measure of value can be founded upon such false premises, and maintained by such illogical reasonings, is to expect an impossibility.

A fair consideration of the argument at once demonstrates the fallacy of the labour standard of value.

Theories upon which numerous volumes and treatises have been written pass completely out of the field of argument, when it is once admitted that Adam Smith was wrong in his statement that labour is the sole source of wealth.

All human exertion presupposes a motive. In endeavouring therefore to extend the boundaries of investigation into the science of wealth, Adam Smith felt himself compelled to ascribe a motive for the actions of men in this direction. To what impulse or spring of action were the toils and anxieties of men to be ascribed in the pursuit of riches. In the world of morals he had advanced the supposition that men's actions were prompted by sympathy. To what all-powerful principle were the actions of men due in the acquisition of material good? It is impossible to discover the parity of reasoning between the two results of Smith's logic. Why did he allege sympathy as the proper governing motive in morals and selfishness in political economy? It certainly is not easy to acquiesce in the assertion that sympathy always governs men in the moral world. That it ought to do so is certain; that it does is by no means beyond dispute. In the struggle for riches selfishness as a matter of fact does generally prevail, but it is equally certain that it ought not to do so. And this covetousness leads to every species of wrong-doing. The love of money is, indeed, a root of all evil. It is not necessary to a happy life that

man should become wealthy. The necessities of life and many of its most valuable enjoyments can be obtained without a great estate or the possession of a fortune. And it is too often found that they who make haste to be rich, who spend their lives in amassing wealth, are but piercing themselves through with many sorrows, and neglecting those fountains of pleasure which offer their streams freely to the contented mind. History is full of instances which illustrate both phases of this argument.

Because selfishness and covetousness are, *de facto*, the ruling motives in the pursuit of temporal possessions, it does not follow that they are right. Were we to adopt that motto,—“Whatever is right,” we should at once destroy all hope of improvement in the world. The aim of those who desire the welfare of their fellows, and the world’s progression in knowledge, virtue, and happiness, must be to alter and amend all that is wrong, all that works evil amongst men. Especially is this the case regarding those matters which affect the happiness or suffering of mankind. The onward march of man towards a perfect state is but a record of evils cured and reforms effected. In politics, in religion, in every part and path of life reform and improvement are at once the index and accompaniment of that progress which the human family is ever making towards the final goal and destiny of civilisation. Considered in this light, it is as much our duty

to destroy the selfish principles of political economy and to replace them by other and more lofty sources of action, as it is to strive for any other reform. And it is as much more important than other matters, as the necessities of life are more needful to men than other things.





CHAPTER IV.

Summary of orthodox economic teaching—J. S. Mill—Mistaken belief as to scope of Smith's work—Malthus on population—Errors of Malthus—Ricardo's laws of rent and wages—*Laissez faire*—Rise of Free Trade—Its consequences—Probable disastrous results of unrestricted competition—Decrease of agricultural population in Great Britain—Cheapness of goods useless without means to purchase—Ireland in 1848—Lords' Report on sweating



POLITICAL Economy, as now understood, embraces a very wide variety of subjects. It is not, indeed, so discursive as when Adam Smith first attempted to define it, but it still wanders far a-field. And there are but few writers who attempt to confine their remarks to its strict consideration. Taking Mr. John Stuart Mill as a fair exponent of modern thought, we find in his "Political Economy," people's edition, 1865, 591 closely-printed pages of small type, divided into five books, dealing respectively with the following matters :—

- (1.) Production.
- (2.) Distribution.
- (3.) Exchange.

- (4.) Influence of the Progress of Society on Production and Distribution ; and
- (5.) On the Influence of Government.

The writer, in the preface to his book, states :—
“The ‘Wealth of Nations’ is in many parts obsolete, and in all imperfect. Political economy, properly so called, has grown up almost from infancy since the time of Adam Smith ; and the philosophy of society, from which, practically, that eminent thinker never separated his more peculiar theme, though still in a very early stage of its progress, has advanced many steps beyond the point at which he left it.”

In the five books of which Mr. Mill’s treatise is comprised, the first, upon Production contains thirteen chapters dealing with labour and capital, and a few on the law of the increased production of land. The fifth chapter, which speaks of the fundamental rules respecting capital, contains four propositions as follow :—

- (1.) That industry is limited by capital ;
- (2.) That capital is the result of saving ;
- (3.) That capital is consumed ; and
- (4.) That capital is continually reproduced.

The fourth chapter defines the nature of capital itself. The eighth contains a striking and convincing series of proofs of the superior advantages of the combination and co-operation of labour ; and the ninth practically demonstrates the superior advantages of production upon a large scale.

The second book, which treats of Distribution, covers a very wide field of discussion, and divides the distribution of wealth into rent, wages, and profits.

The third book treats of Exchange, and is mainly taken up with the questions of value and of money as a circulating medium, including credit and paper currency.

The fourth book, which contains the thoughts of the writer on the Influence of the Progress of Society on Production and Distribution, consists of only seven chapters, of which the last, and incomparably the most important, is devoted to the probable future, or, as it is strangely put, "the probable futurity," of the working classes.

This chapter contains in itself half the fourth book, and deals with the question of co-operation in England and France at the date at which this edition was published, 1865. Mr. Mill makes no secret of his belief that the practice of co-operation is destined to effect a social revolution in the condition of the labouring classes at no very distant date : an opinion which is shared by all recent writers except Mr. Henry George.

The last book, on the Influence of Government, contains many wise and far-seeing remarks upon those functions of government which affect the social economy of the nation ; but it contains, as do many other treatises, a great number of arguments and a considerable mass of writing upon subjects which

have, if any, merely a remote connexion with the main subject

Before examining the maxims and principles of the orthodox system, and the results arising from their practice, we may consider the statement made by Mr. Mill as to the obsolete nature and general imperfections of the "Wealth of Nations."

It is the fashion amongst more recent writers somewhat to depreciate the results of Adam Smith's labour, and to assert that they are giving to the world a more extended and accurate knowledge of true principles.

I do not hesitate to express my opinion that instead of advancing upon the true lines of this science since the days of Adam Smith, subsequent writers have abandoned some of the most valuable propositions asserted by that great thinker, and put forward others much less consistent with truth and logic. Nor is it in this direction only that they have deteriorated. Nearly all the new principles and rules laid down by the more modern teachers are either useless for the solution of the practical difficulties which present themselves in life, or they are untrue as well as unphilosophic, and so selfish and oppressive as to be abhorrent to every sentiment of humanity.

Besides departing in principle, the successors of Adam Smith have spent a very considerable portion of their time and ingenuity in attempting to define the meaning of those terms which are necessary to the proper discussion of their theme. In spite of,

or perhaps in consequence of, their strenuous efforts in this direction, confusion has grown worse confounded. In lieu of the plain and easily-comprehended terms which the majority of other sciences enjoy, all the commonest terms of political economy have different meanings in the writings of different standard authors. The interpretation of the whole technical terminology of the science is in a hopeless state of disorder,—abstraction after abstraction,—refinement after refinement,—contradiction upon contradiction,—leave the student in a state of uncertainty absolutely fatal to the attainment of any true knowledge upon the question. Sismondi, one of the most just and upright thinkers of modern days, after reviewing with intense feeling the terrible contrasts of London and English life, thus speaks: “At a period when suffering humanity has the utmost need that the science which is the theory of the well-being of all should draw near to common intellects and speak a popular language, political economy is lost in abstractions and enveloped in calculations more and more difficult to follow.” This is nowhere more clearly demonstrated than in the latest work of one of the latest authors, Mr. Stanley Jevons.

The almost incredible anarchy which exists in and demoralises the definitions of terms in the treatises of the more modern teachers, as well as the deteriorated character of the principles propounded in

opposition to or in amendment of those of their great leader, may be mainly ascribed to the idea entertained by nearly all writers that Adam Smith's work comprehended the whole structure of a complete system, and that there remained for them nothing to do but to define more clearly the meaning of the necessary terms, to amplify details, and to supply those minor principles and laws which would render complete for all practical purposes the theory which the great Scotchman had propounded. There are, however, some remarkable exceptions to the current belief as to the scope of Smith's teaching and the extent of his pretensions. For instance, Professor Sidgwick expresses his opinion that upon several subjects Smith's followers have laid claim to a generalised system which Smith not only never asserted, but, on the contrary, avoided.* Of the same opinion is the great Italian economist Cossa,†—"By the work of Adam Smith political economy lost the exclusive character which the physiocrats had given to it, and was freed from the disguise of the sublime language which they affected. It gained a definite position among the social sciences, and acquired a definite object. It assumed a special function and adopted a convenient method. It laid the stones of a great edifice of social progress.

* Sidgwick, "Scope and Method of Economical Science," 1885.

† "Guide to the Study of Political Economy," 1880, 2nd edition, p. 168.

But it must not be thought that the new science was perfectly constituted by Adam Smith. The wealth of nations did not comprehend the whole body of economic doctrines. If it were so, Smith would have done for economics what no single man has ever been able to do for any science, physical or moral." Most men, however, seem to have thought that Smith had drafted a system complete in all its points, whereas he had but summarised the two branches of the science taught respectively in the mercantile and physiocratic schools, and had amplified and systematised them. But far ahead as he was of the ideas and knowledge of his time, he had, of course, none of that knowledge which has come into existence since. His ideas, therefore, upon production and exchange were necessarily less comprehensive than the ideas of to-day, as ours must be necessarily less than those which our great-grandchildren will possess. As for distribution, the third and perhaps the most important branch of political economy, neither Adam Smith nor any of his successors knew anything of its real nature, its real subjects, or the laws which govern it. Believing, therefore, that they were dealing with a complete science, those who followed in the footsteps of the Glasgow Professor had to square the facts with their system instead of making a system to square with, account for, and amend the facts. As we consider the laws promulgated and the diverse

meanings of terms employed by different writers, we shall see how these causes have operated, and we shall not only cease to be astonished at the terrible confusion which rules with a splendid liberality in the theories of orthodox political economy; but we shall cease to wonder at the distressing contrasts visible in social life and the apparently inevitable unequal distribution of wealth.

The immediate successor to Adam Smith was the Rev. T. R. Malthus, a clergyman of the Church of England. His celebrated essay on the principles of population, published as a protest against Paine's "Rights of Man," and Godwin's pamphlets, propounded a theory upon the increase of mankind, diametrically opposed to the commandment of God, and the laws of nature. Incredible as it may seem, this writer, who has been by many people praised in terms that would have been flattering to Aristotle or Bacon, taught that one of the operations of nature was to restrict the increase of population, and that she appointed diseases of various sorts for that purpose.

He thus writes:—"If, however, we all marry at this age, *and still continue our exertions to impede the operations of nature*, we may rest assured that all our efforts will be vain. Nature will not, nor cannot, be defeated in her purposes. The necessary mortality must come in some form or other, and the extirpation of one disease will only be the signal for the birth of

another, perhaps more fatal.”* And so resolute, according to Mr. Malthus, was nature in this matter, that she would not fail in her determination, nor be defeated by the efforts of sanitary science. “The small-pox is certainly one of the channels, and a very broad one, which nature has opened for the last thousand years to keep down population to the level of the means of subsistence, but had this been closed others would have been found. For my own part, I feel not the slightest doubt that if the introduction of the cow-pox should extirpate the small-pox, and yet the number of marriages continue the same, we shall find a very perceptible difference in the increased mortality of some other disease.”

It is a somewhat remarkable fact that all those who desire to support any abuse or tyranny which has become partially sanctioned by custom, appeal to nature as the author. Thus Aristotle says in regard to slavery: “Let us then conclude from these principles that nature creates some men for liberty, and others for slavery, that it is needful and just that the slave should obey.” Mr. Malthus continues, when criticising the rights of man as asserted by Thomas Paine,—“What those rights are, it is not my business at present to explain, but there is one right which man has generally been thought to possess, which I am confident he neither does nor can possess; a right

* “Principles of Population,” 7th edition, p. 42.

to subsistence, when his labour will not fairly purchase it.”* This would condemn to death, by starvation and neglect, all orphan children, persons out of work, the sick, and the aged. Mr. Malthus was in favour of prohibitive laws being passed to prevent the increase of the relief to the poor.

“As a previous step to any even considerable alteration in the present system, which would contract or stop the increase of the relief to be given, it appears to me that we are bound in justice and honour formally to disclaim the right of the poor to support. To this end I should propose a regulation to be made declaring that no children from any marriage taking place after the expiration of a year from the date of the law, and no illegitimate child born two years from the same date, should ever be entitled to parish assistance.”†

As to the fate of those who should disobey such a law, he says :—

“All parish assistance should be denied him, and he should be left to the uncertain support of private charity. He should be taught to know that the laws of nature, which are the laws of God, have doomed him and his family to suffer for disobeying their repeated admonitions that he had no claim of right on society for the smallest portion of food beyond that which his labour would fairly purchase.”‡

* *Ibid.*, p. 421. † *Ibid.*, p. 430. ‡ *Ibid.*, p. 430.

Still more fierce were some of his utterances. Amongst them were several passages suppressed in later editions. One of these I give :—

“A man who is born into the world already full, if his family have no means to support him, or if society has no need of his labour, has not the least right to claim any portion of food whatever, and he is really redundant on the earth. At the great banquet of nature, there is no place for him. Nature commands him to go away, and she delays not to put that order into execution.”

We may rejoice that the dreadful opinions of Malthus were not the sentiments of all the thinkers of that time. In the same year in which “The Enquiry into the Causes of the Wealth of Nations,” was published the great Turgot, in the preamble to the Edict of February, 1776, for the repeal of the Corporations in France, an edict which was called the Charter of Freedom for the Working Classes, uttered these noble words :—

“God, by giving man wants, by rendering the resource of labour necessary to him, has made the right to work the property of every man, and that property is the first, and most sacred, the most imperscriptible of all.”

Adam Smith knew and respected the leaders of the Physiocratic School, which included the great French minister, and the principles enunciated by him were entirely in accordance with the words by which the

Edict of 1776 was prefaced. The difference between Adam Smith and Malthus is terrible, yet Mr. Buckle in his "History of Civilisation," speaks of Malthus as the crowning genius among the political economists of that day. He seems to think that Adam Smith's greatest merit was that he introduced the other. "If it had not been for Adam Smith," says Mr. Buckle, "the world would have had no Malthus." To the dreadful imprecations uttered by Malthus, well might Godwin reply,—“Woe to the country in which a man of this class (the people) cannot marry without the prospect of forfeiting his erect and independent condition! Woe to the country in which, when unforeseen adversity falls upon this man, he shall be told he has no claim of right to be supported, and led in safety through his difficulties! We may be sure there is something diseased and perilous in the state of that community where such a man shall not have a reasonable and just prospect of supporting a family by the labour of his hands, and the exertion of his industry, though he begins the world with nothing.”*

It is difficult to over-estimate the strength and tenacity of the hold which the teaching of Malthus has obtained upon the educated mind of this century, Taking up by chance a pamphlet upon "Elementary Politics," published in London in 1886, by Henry Froude and written by Mr. Thomas Raleigh, M.A., Fellow

* Godwin's answer to Malthus. "Inquiries into Population," book vi., chapter 6.

of All Souls College, Oxford, I was struck with the strange commingling of the consciousness exhibited of the terrible condition to which the present political economy has reduced the nation, and the extreme adhesion given to the theories and general principles which have produced that condition.

I take this book as an expression of the popular opinion held by men of cultured minds, who are privileged publicly to express those opinions to the world, especially from the great seats of learning in England. And in this case I do so without fear, as I find in this pamphlet of 160 pages a very considerable amount of sound learning, of just criticism, of terse writing, and of clear and vigorous thought, giving perhaps the best view, in so short a space, yet written upon the subject which it professes to elucidate.

In the 10th, 11th, and 12th chapters of his little work, and in the compass of less than forty pages, Mr. Raleigh gives a tolerably clear statement of the ordinary faith and views of political economists. In the 12th chapter he speaks of the distribution of wealth. "We produce," he says, "a large aggregate of wealth, but we still have to complain of the evils caused by poverty and luxury. Before we speculate as to the causes of this state of things, we must lay down certain general principles which form the basis of all sound political economy.

The Law of Population.—Man is an animal, and,

like other animals, he has a tendency to multiply beyond his means of subsistence. Unlike other animals, he can emancipate himself from this tendency by exercising foresight and self-control, not to marry and produce children until he sees his way to providing for them. Unfortunately, foresight and self-control are not universal, and people who are depressed by poverty are specially tempted to be reckless in the matter of marriage and parentage. This is one reason why there are so many poor, even in wealthy countries.

The foregoing statement contains the gist of the doctrine of Malthus. It is a statement so simple and so true that, in order to argue against it, you must begin by missing the point, and there are able writers who miss the point in various ways. . . . Some people tell us that when God sends mouths he sends food to fill them, or would send it if it were not intercepted by landlords, employers, and bad governments. The stern fact is, that God sends millions of mouths for which no food is provided; this is true throughout the whole animal kingdom, and it is true of man *quâ* animal. Why the fact should be so we cannot tell; it is part of the mystery of pain and evil, which baffles human understanding. But the fact itself is clear enough for all practical purposes." I have made these quotations because they summarise the modern belief in the Malthusian doctrine. A very

short examination will show how illogical and childish such reasoning is, and how untrue are the premises upon which it is built. It is asserted that man, like other animals, has a tendency to multiply beyond his means of subsistence. On the contrary, man is utterly unlike all other animals as regards the production of the means of subsistence. In the sweat of his brow he must eat bread. Food, clothing, shelter, are the results of labour co-operating with nature. God does indeed through nature, by the labours of man, indirectly provide food for all living animals, or they must die. But when or where is it that God directly provides food for men. Once, indeed, in history we are told that Jehovah directly provided food during forty years for over two millions of a mixed multitude. Throughout that long period there was enough for all. No one wanted, no mouths in the great host of the children of Israel were unprovided for. If the Lord were again to command the nations to look directly to Him for food, there would be sufficient and to spare. And in the miracles of Christ the few loaves and fishes were more than enough for the thousands who ate of them. But man, unlike the beasts, must provide his own food. His hands must till the earth, and reap the grain. His skill and courage must win from the surface of the earth, from the mine, and from the sea, those innumerable products which sustain life and afford enjoyment.

Through ten thousand channels of production, manufacture, and commerce man produces, consumes, and enjoys the varied objects drawn by his godlike powers and energies from the exhaustless storehouse of nature. The philosophy which in this matter degrades man to the same level as the beasts is false and godless. Even towards other living things, man made in the image of his Maker, has to take the place of God. Man has to clear the forest, plough the fields, sow the grass, tend the flocks and herds, carry from land to land the different species of animals, as well as plants, and provide food, shelter, safety, and care for all. How long would it be, were man removed from the earth, before the fair face of nature became desolate, and the great majority of animal creation die. To say as Mr. Raleigh, speaking in the name of the current political economy, says, "The stern fact is, that God sends millions of mouths for which no food is provided" is in one sense true, because God Himself, with all reverence be it spoken, provides directly for no one mouth. Such an occurrence has always been accounted a miracle, and although there exists no reason against the performance of miracles, yet we have to act as governed by those ordinary natural laws by which the world and its people are controlled. To say that, in the ordinary way in which God provides for men,—that is, by affording the means and capabilities in nature from which

food may be obtained,—“God sends millions of mouths for which no food is provided,” is a blasphemous untruth, as well as a ridiculous and contemptible error. So far from there being any tendency in man to multiply beyond his means of subsistence, the contrary is true. The greater the multiplication the easier becomes the attainment of the means of subsistence. Ten men can more easily produce the necessaries of life than one man. A hundred can provide far greater comforts for each other than ten. A thousand will still swell the aggregate of comfort, while a million will carry on all occupations necessary to ensure comfort to all, with comparative ease and economy. It is indeed true that if the great bulk of wealth created and produced is by a selfish and vicious system taken from the many and given to the few, then the means of subsistence of the many become straitened. That, however, is the result of a faulty human system and of gross ignorance, and not the operation of a natural law. It can be easily shown that the means of subsistence, comfort, and even luxury, not only could be but are produced in greater quantity than they are consumed. Nor can it be doubted that with a proper system of distribution, no home, no person in the empire or the world would be suffering from want.

Before Malthus, Sir James Stewart, and Mr. Townsend, in his “Dissertation on the Poor Laws, 1786,” had already pointed out that the population of

every country has a tendency not only to rise to the level of the means of subsistence afforded by that country, but to exceed them. But history is full of such proofs,—nearly every migration of ancient tribes affords an example. It was not necessary to call in aid of a selfish economy the truth of the increase of men, and then to distort that truth and turn it to a falsehood. Land that will yield food for ten people will not support a hundred. An estate of ten thousand acres may support five thousand persons, but in no way can yield food for fifty thousand. But if there be boundless lands to till, if there be boundless commerce to be created, and boundless wealth to be produced, how can it be true to say that “population outruns subsistence?”

From no point of view is the whole theory of Mr. Malthus correct. It is partially true, but a half-truth is generally the source of error. Population in a time of peace and sufficient food naturally increases. But the ratio of increase is always irregular. In times of war, pestilence, and famine, population decreases, or, at best, increases at a much lower rate. No people has ever increased at the same rate for any very long time, while the human family, taken as a whole, does not increase in geometrical ratio during any regular periods. The second part of Mr. Malthus's theory, tried by the same standard as the first, is altogether erroneous. For the means of subsistence generally do not increase in the same way as population

increases. Cattle, sheep, and all live stock used for food do, indeed, increase, but they increase geometrically; but all other portions of man's means of subsistence are simply the results of human labour applied to natural agents, and they do not increase spontaneously any more than ships or houses. These can only become more numerous as the three factors of production are brought into contact with each other. Beyond a certain limit of productiveness, the soil and natural forces of any country will increase no more. In such a country population will still increase, but the means of subsistence will remain at their highest level, or recede. On the other hand, food and other necessities may be drawn from distant regions and from countries far removed. England at the present time draws subsistence for the bulk of her people from abroad. And if the population of the United Kingdom were quadrupled, she could still feed and clothe her crowded multitudes from her colonies.

The means of subsistence are produced from natural forces by the labour of man. If the number of labourers be increased, then, if there be sufficient natural forces to operate upon, more means of subsistence can be produced.

In these days a very small proportion of the labour power of a civilised community is sufficient to provide amply for the wants of all.

Were all to work, and work in accordance with

modern skill, an enormous and superabundant aggregate of production would result.

The greater the increase of the labouring population when land and the forces of nature can be laid under tribute, the more abundant will be the result of labour, and the greater the mass of surplus and accumulated wealth.

Population, therefore, in the sense used by Mr. Malthus and the economists does not outrun subsistence, nor is it possible that it can so long as available land in any part of the earth is obtainable.

Mr. Mill, following and apologising for Mr. Malthus, while asserting that labour, or rather the human family, is capable of almost indefinite increase, and that capital is also, under certain conditions, practically unlimited, lays down the theory that land, being limited in extent and accessibility, the increase of production is thus restricted. Therefore, he says, the expansion of population must be checked lest want, and even famine, overtake the growing multitude, there being no available natural agents from which labour may produce food. To this theory there are two practical answers. If it be intended to account by this for the pauperism and want now existing in many countries, it is sufficient to answer that in the same countries and in others similarly circumstanced there have been want and misery in every period. The existence of want and misery does not now depend, nor has it in the past depended, upon

the density of population in any given state. The most sparsely-peopled portions of the kingdom are more dominated by want and famine than the city of London itself. The most thickly-populated countries of Europe are certainly not pressing upon the means of subsistence more heavily than those most thinly populated; and so it has been always. Again, in every age the natural products of populous countries have been assisted by exchange and commerce. In these days science has practically turned seas into rivers and oceans into lakes. The cost of carriage from the most distant parts of the world to the great capitals of Europe does not equal that which would have been incurred two hundred years ago in transmitting goods from Devonshire to London, while the safety and efficiency of such transport are greatly increased. Under these circumstances, it is folly to assert that the mere increase of population in any country with a great seaboard can of itself cause an undue pressure upon producing power. The population of England has increased nearly threefold during the last century, and were it to increase during the next hundred years to ten times its present number, its people could still be easily supported by supplies drawn from a portion of the colonial empire. With perpetually-increasing powers of transmission, with a perennial flow of inventive genius, and a constant growth in knowledge, it is impossible to limit the powers of production available for the support of increasing numbers, save

by the ultimate capacity of the whole earth. To a people possessing great territories and enjoying a high state of civilisation, no prudential considerations such as those which form the groundwork of the Malthusian theory, and which have been adopted by so many political economists, need for a moment be considered. Rather should the old feelings entertained in times of war be revived, and the increase of population be encouraged. With a people growing at once in numbers, in intelligence, and in prosperity, with capital drawing to itself continual accretions from extending commerce, settlement, and production, great territories of waste lands inviting the dominion of man, the nation may, with proper economic laws, reasonably hope to rise to a condition of prosperity and happiness never yet attained.

Many writers of considerable repute have shown the fallacy of the Malthusian theory. So far from population outrunning subsistence, it is the continuous wail of modern commerce that there is a glut of production. In the presence of the great untilled territories of the empire, it is startling to hear men of great reputations still insisting upon the truth of a theory as hollow as it is vicious, as un-Christian as it is absurd. It is not nature that denies privileges to the multitudes born into the world. It is not nature that refuses to spread covers at her feast for them. It is not nature that pinches the cheek with hunger and dims the eye with

tears, or that fills the graveyards of our great cities with untimely death. Nature, God's handmaiden, offers her boundless treasures with profuse and loving hands. The earth, the sea, the air, her granaries and storehouses are freely open to the children of men ; she places no locks, no bars, no bolts upon her treasures. The earth, whence comes the wine which gladdens the heart of man, and the bread which strengthens him, providing food, clothing, and happiness for countless multitudes, has been given by nature's Master to His creatures. And until the waste and desolate places of the earth shall have been filled with the habitations of men, until the untrodden wastes of the British colonial empire shall have yielded their fullest harvests to industry, until there shall be no more wilds to conquer, no more lands to till in the interests of humanity, I say that it is treason to the Crown and blasphemy against Heaven to promulgate a law which shall restrict the national increase of our people on a plea so false and foolish. I care not how great the names, how wide the influence, how lofty the position of those who endorse the principles of orthodox political economy : I am content humbly to follow Him who, in the dawn of the history of man, when he endowed the human race with the earth as an estate, bade His creatures increase and multiply, to be fruitful, and replenish the earth and subdue it. The glory of England is in the number of her people scattered in great and free communities

through her boundless realm. The increase of her children, the growth of her colonies, the spreading of her commerce, the extension of her principles of civil and religious liberty, the continuance of that freedom for which her patriots fought and her martyrs bled, —this is her highest destiny, and he is a traitor to his race and to humanity who, by argument or by legislation, shall attempt to stay the onward course of English power and English progress Southey's noble words should ever be remembered :—

“Train up thy children, England,
In the ways of righteousness,
And feed them with the bread of wholesome doctrine.
Where hast thou mines, but in their industry ?
Thy bulwarks where, but in their breasts ?
Thy might, but in their arms ?
Shall not their numbers, therefore, be thy wealth,
Thy strength, thy power, thy safety, and thy pride ?
Oh ! grief, then, grief and shame,
If in this flourishing land there should be dwelling,
Where the new-born babe doth bring unto its parent's soul
No joy ! where squalid poverty receives it at the birth,
And on her wither'd knees
Gives it the scanty bread of discontent.”

These are the sentiments which fill the hearts of those who love their country and their race. The miserable forebodings of pamphleteers, writing in the interests of selfishness, can never form a plan for the extension of a great empire or the growth of a free people. The same selfish spirit which prompted the so-called political economy of the eighteenth century,

prompted also, in the interests of property, that long series of laws, more dreadful than the laws of Draco, which sent to prison, to exile, and to the gallows hundreds of thousands of the poor and ignorant classes in Great Britain. The maxim is erroneous. It is an error springing from selfishness, which, reduced to a science, would maintain the labouring classes in sufficient numbers to perform the work required by capitalist employers and no more.

Following Malthus in order of time, Ricardo attempted to lay down with precision the laws which governed wages and rent. Ricardo's well-known law of wages illustrates with remarkable force the alteration and difference,—certainly not improvement,—in the theory of the law of remuneration of labour asserted by Adam Smith and his successors.

Adam Smith says : “ The produce of labour constitutes the natural recompense or wages of labour.” Ricardo says : “ The natural price of labour is that price which is necessary to enable the labourers one with another to subsist and to perpetuate their race without either increase or diminution. The natural price of labour then depends on the price of the goods, necessaries, and conveniences required for the support of the labourer and his family.” This is a startling and profound change. From the evidently just principle laid down by the founder of political economy one of his earliest successors so directly departs as to degrade the whole industrial class into a condition of slavery,

inasmuch as the total labour of their lives is to be given for the mere means of subsistence. Mr. Ricardo goes on to say that there is another price for labour which he calls the market price, as distinguished from the "natural price."*

"The market price of labour is the price which is really paid for it from the natural operation of the proportion of the supply to the demand; labour is dear when it is scarce and cheap when it is plentiful."

"When the market price of labour is below the natural price the condition of the labourers is most wretched; then poverty deprives them of those comforts which custom renders absolute necessities. It is only after their privations have reduced their numbers or the demand for labour has increased that the market price of labour will rise to its natural price and that the labourer will have the moderate comforts which the natural rate of wages will afford."

In his writings Mr. Ricardo lays down with severe decision those laws which, according to him regulate value, rent, wages, and profits. I do not hesitate to say that upon all these subjects his principles are either fallacious, useless, or unnatural. His theory of value is in the main unsound; his theory of wages reduces free labour to worse than slavery; his theory of profits is untrue, while all are equally unphilosophical. His dissertations upon rent are to real political economy of no value, because under a proper system no rent would

Ricardo, 3rd edition, 1821, p. 51.

be paid, as organised bodies of industrious workers in co-partnership with owners of capital would own the land they tilled, the mills and mines in which they worked, the ships and warehouses in which commerce was carried on, and all other means of production and exchange.

The favourite maxim of this philosophy is "*Laissez faire*," meaning, as now interpreted by politicians and economists, that things are to be left alone; that all questions between employer and employed, the capitalists and the labourer, the rich and the poor, the powerful and the weak, are to be left to settle themselves; in other words, that the weak are to be abandoned altogether to the tender mercies of the strong. "*Laissez faire*," "*Laissez aller*" were not invented by Quesnay. Colbert consulted a merchant named Legendre on the best means of protecting commerce, and Legendre used these words, since so celebrated. But they were not at first intended to mean anything more than that all which was not injurious to morals, nor liberty, nor property, nor personal security should be left alone. They were only a protest against the restraints which hampered the free development of labour. And the same Quesnay used them, who succeeded in having printed at Versailles by the hand of Louis XV. himself the great maxim: "Pauvres paysans, pauvre royaume; pauvre royaume, pauvre souverain."

Laissez faire as now used, contains the most

pernicious of all doctrines: in Government it would lead to rebellion and anarchy; in religion it would produce atheism; in social life it would produce barbarism; in morals, Sodom and Gomorrah; in science, confusion; in letters, ignorance; in the social condition of humanity a condition in no way different from that of the beasts of the field. Under its rule the Garden of Eden became a wilderness. Beneath its baleful guidance in all paths of life, the voices of the patriot, the poet, the teacher, the prophet, and the reformer would be silenced, and hope would be banished from the earth.

In the course of time, requiring indeed a longer period for its development than other principles, the doctrine of free trade sprang up, blossomed, and bore fruit. This doctrine teaches that each portion of the earth should enjoy free and untrammelled commercial intercourse with the rest. That the peculiar products of every region should be made freely and economically interchangeable for the products of all others. That the advantages of climate, of soil, of position possessed by different parts of the earth should thus become mutually beneficial, that every land and every race should, by exchange of commodities, be mutually benefited and enriched. Nor is it without reason that such a theme should be attractive; for free trade under a condition of political and social economy, by which all who aided in creating wealth and improving commerce should share in the wealth

so created, and the commerce so extended might be and indeed may yet become, the means of adding to the safety, the comfort, and the advancement of the human family. But free trade, springing from the root of selfishness, trained by the hand of unrestricted competition, and its fruits gathered for the benefit of capital, has produced, side by side with cheapened productions and vastly swollen national wealth, increasing misery and suffering to the great mass of the working classes. When England started upon the policy of free trade, the minds of the great leaders of that movement were filled with the anticipation of the blessings which would spring from its adoption, not only to foreign countries with whom Great Britain traded, but especially to their own race within the four seas of Britain. At that time, as at present, the bulk of the commerce of the world was carried in English ships. The Colonial Empire of Britain was then beginning to show the promise of its present large proportions. The manufacturing skill and industry of the British Empire stood alone and unrivalled in the markets of the world. In the East, in the West, in the North, and in the South, from the Pillars of Hercules to the mouth of the Amoor, from Hong-Kong to the golden gates of San Francisco, from Rio de Janeiro to Sydney, multitudes of people were prepared to purchase, in exchange for the varied products of all climates and regions of the world, those wares which the great manufacturing centres of Great

Britain could provide in unparalleled excellence, unbounded profusion, and at the smallest price. Thus, with the world for its market and with only inconsiderable competition for the produce of its looms and furnaces, English commerce spread suddenly in a thousand streams, flowing far and wide to the nearest as well as the most distant corners of the earth. Not only the commerce, but the manufactures of the nation grew with wonderful rapidity. Employment was offered in every manufacturing town throughout the country to an extent never before known, and at wages never before heard of. A large portion of the agricultural population, especially of the harder and more adventurous sort, flocked into the great towns to participate in the benefits resulting from constant labour and high wages. And in addition to the attractions thus offered, there has been, especially since the repeal of the Corn Laws, so serious a diminution of the number of persons employed in agriculture, owing to the free importation of wheat and other food stuffs, that great hosts have been compelled to find work in manufacturing occupations. In 1841 there were in the United Kingdom 3,820,000 people engaged in agriculture, while in 1886 there were but 2,420,000.* Thus in forty-five years, although the population of the country had increased by upwards of ten millions, the numbers of those employed in tilling British soil had decreased by no less a mass

* Mulhall, "Fifty Years of National Progress." 1887.

than one million four hundred thousand. In the same period the yearly value of the crops had sunk from £74,300,000 to £51,700,000,—a decrease of £22,600,000.

Wealth increased and multiplied in a manner and at a rate hitherto unrecorded in history; and in addition to the increase in the amount of wages, the labouring classes participated in still further advantages, because the effect of free trade and unrestricted competition was to increase the abundance and decrease the price of most of those articles necessary not only to sustain life, but to minister to moderate enjoyment. Meanwhile the excess of wealth promoted a very great expenditure upon internal improvements, such as railways and buildings, which again afforded employment at high wages to other portions of the community. The spirit of enterprise thus roused animated many classes of the people with a desire for yet further developments, and the discoveries of gold in America and Australasia, united to the wonderful inducements and attractions held out to colonists and settlers throughout America as well as the outlying dependencies of the empire, drew away from Great Britain millions of the more resolute and enterprising of her children. These followed across the seas those bands of adventurous spirits who, with heroic daring, had gone forth to people the solitudes of the earth, and to lay, in waste and savage lands, the foundations of great empires. For a long period all these causes

combined to raise and maintain a season of prosperity. But the minds of men like Bright and Cobden, who foresaw the brilliant advantages likely to accrue from the policy of free trade, did not pierce far enough into the future, nor did they anticipate three important results which are now pressing heavily upon the present and threatening great disasters in the future. The first of these is found in the fact that with all the accumulation of wealth which has accompanied, and to some extent arisen from, the free-trade policy, the only class which has permanently benefited, materially speaking, are the propertied and speculating classes. The great mass of the people, the multitudes who have toiled on sea and land to produce these treasures, are practically no better off than before ; indeed, they are yet likely to be in a much worse condition than they would have occupied had things gone on in the old grooves down which they ran during the reigns of the Georges. For the second result which was not foreseen is now exerting a powerful influence upon English manufacture and English commerce. The spirit of all political and social economy being essentially selfish, other nations, while taking advantage of British ports and British markets being open for their manufactures, have closed their own markets by almost prohibitory duties against British goods ; and having learned from us that skill which is necessary to enable them to become producers, and possessing the advantage of cheap and abundant labour,

are able not only to supply themselves with the articles they require, which once they purchased from us, but to send the surplus of their produce and their manufactures into Great Britain and to undersell us in our own streets. Beyond this there is a far greater danger threatening the British industrial classes from this free trade, unrestricted competition, and reign of capital. And this seems destined to effect a complete change in the position of the English working classes, and either force into existence a new system of political economy, a great migration to the colonies, and a new history for England and the English race; or produce terrible suffering and a desperate revolution.

Several contingencies hitherto unforeseen, or at least not sufficiently appreciated, may and probably will arise, which will tend to alter the position of England and the English industrial classes very considerably. Free trade is at once the governing principle and the *modus operandi* of English commerce. It supplies and demands the fullest and unfettered competition. The enterprise and capital of the commercial world under its inspiration seek out all opportunities to buy in the cheapest and sell in the dearest markets those innumerable wares which gratify the wants and appetites of modern civilised society. For these purposes the floating palaces which are now launched continuously from a hundred yards, driven with incredible speed by wonderful

machinery, traverse every part of the ocean, and search the harbours of the world. The electric wire conveys the news of all markets, the state of all harvests, and the condition and amount of the productions of every land.

Ice and cold, which in the frozen regions embalm the giant frames of extinct monsters, are now used to preserve the sheep and cattle of Australasia and America in transit round the world. The rates of wages in all parts of the earth, especially throughout the British Empire, the harbours of different countries, the presence or accessibility of coal, iron, copper, and other substances, are daily becoming better known.

It is not hazarding too much to say that China on the sea-board, Japan, India, Australasia, the South Sea Islands, and North and South America, are now to the English people better known in everything that relates to production and manufacture than most parts of England, Ireland, and Scotland were a hundred years ago. From these premises commerce has already made one deduction. The seas being bridged by great ships, the products of all countries, preserved by means of scientific skill, can be brought to Liverpool and London, to Glasgow and Dublin, to Manchester and Bristol, without risk and at a trifling cost. So Australia and New Zealand, the United States and Canada, Russia and India, transmit their cargoes of grain and wool, of meat and fruit, with ever-increasing volume. Commerce prospers; the in-

dustries of all these different places are fostered and stimulated, and, what is better still, the price of the food of the English people is lessened. The consequence to the landowners in the United Kingdom is no doubt disastrous. They are finding and they will continue to find increasingly, that a free world-wide commerce must level prices, and that land in the United Kingdom used for the purposes of production is worth but little more than land in La Plata or New Zealand, in South Africa or the Crimea. I am not deploring the fact nor rejoicing at it, I am only stating it, that we may be better able to judge of the questions which by and by we shall discuss. So swift, certain, and cheap are now the means of communication over every sea, so widely and intimately known are the wants and requirements of every market, so omnipotent in modern days is the power of capital, so certain and inexorable in its operation is that law of wages laid down by Ricardo, so peaceful is the great world outside Europe, that there is nothing to prevent the majority of the manufacturing industries of Great Britain and the United States being shifted to, or replaced by immense manufacturing centres in India, in Africa, in China, in Japan, and in the Islands of the South Pacific. In these places labour can be obtained in practically limitless quantities for one-fifth part of what it would cost an Englishman to live. Already has the tide begun to flow in these directions, and in

more than one place, nay, in more than a score of places in the countries mentioned, have huge manufactories sprung up founded by British capital, guided and governed by British skill and organising power, increasing the wealth of the merchants and employers, but worked by the patient labour of coloured races upon wages which to the humblest English workman would mean starvation. Great trade and great commerce, great manufactures and great wealth, especially when flowing only into the pockets of one class, are not the main requisites for the prosperity and permanent comfort of a people. That sudden attraction which in the manufacturing centres of the United Kingdom drew away so many of the agricultural labourers and peasant proprietors from the cultivation of the soil was not, in the true or best sense, an advantage to the people of England. It was indeed a change, but not a beneficial change, for it loosened the hold and affections of hundreds of thousands from the land of their birth, it made great armies of them absolutely dependent, not upon the soil which their fathers had tilled before them for many generations, but upon the fluctuations of trade and commerce, which at any moment, from events beyond their comprehension, may leave them to distress and starvation.

When the wages of English workers in manufactories are reduced to the few pence upon which Chinese and the natives of Japan, Bengal, or the

South Seas can exist, then will be seen distress and sorrow and terror such as England never beheld and never dreamed of. Hunger, wretchedness, enforced idleness, furnaces blown out, mills stopped, mines unworked, shipyards idle. It is needless to dilate upon the awful condition of a great and free people, conquered by cheap labour in distant lands and hunger in their own. Have our philosophers and rulers foreseen this? It will surely come; has it not commenced? Capital has no heart, no soul, no country, and no God,—except itself. There will, of course, be no possibility of foreign competition in some things. Duties and works that must be done locally; industries the requisites for which, whether of soil, climate, position, or materials, are local, or which require peculiar human aptitude, will still go on. But the general class of manufactures can be produced in those lands where labour is a drug and life easily sustained. Living and the conveniences of life will indeed be cheap, cheaper than ever; but will that compensate the workers for the loss of their employment? There is upon the south-west coast of Ireland in the county of Cork a little village called Glandore. About seven miles off lies the town of Skibbereen, which in the years of plague and famine, '46, '47, '48, and '49, achieved an unenviable notoriety in Ireland, being, as I believe, the saddest union in that sad country. Glandore is prettily situated at the head of an inlet from the great Atlantic, and in winter the

western gales hurl the waves of the ocean against a rock-bound coast. The land is tolerably fertile, the climate good, the scenery romantic. As a boy I lived there in '48 and '49 in an old, half-ruined, but pleasant castle, named after the place, Glandore. Everything in that country was cheap. The castle, furnished and comfortably habitable, cost my mother twenty pounds a year. Meat was threepence per lb, everything else in proportion. I knew of men who worked for half-a-crown a week, and supported themselves. Cheap as was food, people were dying of starvation all around. A shilling's-worth of Indian meal would give food for a week, but they had not the shilling, nor indeed a penny. There was no work, and amid comparative plenty thousands of strong men sank and died from hunger. From the castle windows as a boy I have often in the grey dawn before sunrise looked down upon the cottage and grounds of the Relieving Officer and seen, upon those days when relief was given, hundreds of wretched crouching forms, men, women, and children, old and young, waiting for the few pounds weight of meal that was to keep them alive during the coming week. The sight of such continued suffering drove us from the place, and I shall not forget as long as I live the terrible scenes of famine and plague in that unhappy land. Cheap food and cheap articles of commerce are good, but, if he who requires them has not the money to purchase,

they are for him at famine prices, and are unattainable. It is not only necessary, therefore, to reduce prices and make goods cheap, it is also necessary that those who have to purchase should possess the necessary means. The day is coming when great numbers of Englishmen, besides our present pauper class, will not have the wherewithal to purchase, be the price ever so small. For capital, obeying its laws and instinct, will raise up great manufactures in lands where cheap labour is to be found, and our English labour will be at a discount. Nor are we to forget the swift current of life which continually increases the population of Great Britain. Each year sees nearly three hundred thousand children born into the world in the British Islands, over and above the numbers who die or emigrate. What is to be done with this incoming multitude?

A community will be permanently prosperous only in proportion as its people are settled upon the land, or have a personal interest in the national wealth. Any nation wisely governed, possessing civil and religious liberty, and of which the poorest class enjoys good food, suitable clothing, and commodious shelter arising from their own labour or their respective shares in the accumulated wealth of the community, is and must be prosperous and contented. In such a nation want, distress, and suffering would be comparatively unknown. Vice and crime would so materially diminish in extent

as to present a new and delightful phase in possible human existence. Thus in many parts of the new colonies of the empire where land is easily obtained and work is plentiful,—such, for instance, as the place in which I write, Gisborne, New Zealand,—theft is a thing almost unknown. No one fears to leave the doors or windows of his house open by night or day. There is indeed poverty springing generally from personal misconduct, but real want is seldom seen, and, when seen, soon alleviated by spontaneous kindness and charity.

Free trade, as at present understood, must make all the world one great community, equalising wages by competition, and reducing all produce and manufactures, as well as wages, to the lowest price possible. When this is accomplished, the price of all necessities, and even comforts, will be gauged by the lowest possible wages for which in any land men can live. Of what avail would be such advantages for English labourers or artisans when, even could they obtain employment, their wages were, as they would be, reduced to a few pence per day?

The old ideas of earning an honest livelihood, of dwelling in a peaceful home, and of leading a contented life, have yielded to an insatiable desire for the acquisition of wealth. To this consuming passion all other considerations are sacrificed; the one desire is to get rich. In the keen struggle and competition for wealth sympathy is forgotten, obedience to the law

of God is disregarded, the noblest feelings of the human heart are blunted, and the glorious teachings of Christ concerning a life of self-sacrifice and devotion towards humanity are ignored as completely as if they never had been uttered. In lieu of the custom by which in other days labour was regulated and lands were held, the rule of competition has been adopted, by which labourers are reduced to starvation point and tenants are rack-rented out of house and home. The motto "Each for himself and God for us all" is used, but there is a commoner and more vulgar rendering of the sentence, by which each is to do the best for himself and a certain unnameable personage will take the hindmost. The results are becoming yearly more disastrous as well as more full of peril. The wretched condition of the poor in England, Ireland, and Scotland, in New York and Massachusetts, is a standing theme for wonder, if not for admiration. Wealth, indeed, is rapidly increasing, its accumulations are extensive beyond precedent. Its evidences abound in every region. Its magnificence outshines even the displays of Imperial Rome. The accounts given of the banquets, the assemblies, and the dances in great modern capitals, in their descriptions of costume, profusion, and luxury, are similar to the stories in the "Arabian Nights" of effects produced by the use of Aladdin's lamp. On the other hand, the picture of the shivering wretches, the homeless and famished

crowds, who from the streets watch with fascinated eyes the gleaming of jewels, hear the strains of music, and sniff the odours of the viands, is more terrible in its ghastly misery than anything which history records. The results of many other principles which this science has commonly accepted may be fairly typified by the results of absolute competition.

The predominant influence of this principle in determining the demand and supply of labour has during the last century, and especially during the last fifty years, given to capital, or rather forced upon the owners of capital, a complete and tyrannical control over the great multitudes of the labouring class. But this control, although it be complete, is not capable of direction even by the capitalists themselves. Like the man in the story brought into existence by unhallowed means, this creation breaks loose from the rule and government of its maker, and by the exercise of its ungoverned power causes misery and disaster. Thus, while competition hands over the destinies of the many—the poor—to the government of the few—the rich,—the individual members of the governing class are themselves by no means safe. All modern writers admit the existence of unforeseen perils which, suddenly occurring, involve whole industries,—employers as well as employed,—in one common catastrophe of ruin. In olden times, the labourer, unless in days of famine, was tolerably sure of employment and of food. In the country, at first completely, then

partially, bound to the soil, at least his food and house-room were fairly secure. In the towns, the guild, or corporation, while it regulated his work and his wages, provided him with employment and ensured him a participation in the fruits of his industry. Liberty, which gave him freedom to go and come as he chose, and to offer his services to any employer, also deprived him of the right to claim employment, and left him to the laws of unrestricted competition, which in business and employment is the very essence of selfishness. The workman has to compete with other workmen ; the employer,—whether he be a manufacturer or a farmer, or a shipowner or a merchant,—has to compete with other employers ; the nation has to compete with other nations. In these days, the different productions, whether of art or nature, of manufacture or of science, from every land are exposed side by side for sale in the various markets of the world. This brings to one level the value of the productions of different climates and of different nations. The producer and manufacturer are compelled to sell at the same prices as are asked by others for the same class of goods. They are constrained, therefore, to reduce the cost of production to the same rate. Thus, as in some countries, wages are extremely low, as for instance in India, and in some parts of the continent of Europe, employers of labour in England and those colonies where free trade is practised are forced either to reduce the rate

of wages, to produce their commodities at a loss, or to close their places of business altogether. In this direction and manner capitalist employers are themselves helpless; but the strife among workmen to obtain employment, and the necessity which exists among them to obtain work that they may earn the means of living, invariably places in the hands of employers the power, and competition compels them in self-defence to use that power, to reduce wages to the lowest amount which will enable the body and soul of the workman to keep together. The interim Report of the Lords' Committee upon the sweating system at the East End of London illustrates the terrible effects of such cut-throat competition.





CHAPTER V.

Contradictory and uncertain meanings of terms as used by different writers, Whately, Price, Perry and Wealth—Jevons and value—Are land and labourers capital?—Sidgwick—Graham, attacks on theory of economy—The wage fund—Smith in error as to labour being the source of wealth and measure of of value—Sismondi, his repugnance to selfish foundation—Anticipation of disaster from Free Trade—Summary of laws and principles of orthodox economy, their false and erroneous nature—Quesnay and Smith compared—Evil effects of Smith's selfish system—Attempts of economists to dismember the empire.



HAVING considered the development of economic teaching since 1776, it is now necessary to consider the meanings of the terms used in it, as well as the component parts and principles of the system itself. The name popularly attached to this branch of study is somewhat ambiguous and misleading. Strictly speaking, its reasonings should be rather devoted to the consideration of the good order, especially in finance, of the body politic as a whole, than that of its families and members. But on all sides, the scope of political economy has become more and more identified with and limited to the material well-being of the individual members of the community.

Taxation and public finance receive some attention at the hands of writers, but the main parts, both of facts and arguments, are more directly devoted to what might perhaps properly be called and classed as social economy.

The uncertain use of a common term, in this instance, is of but little practical importance, for we use the term as meaning the science of wealth. But when the same uncertainty is intruded into the use of terms necessary to argument and the ascertainment of truth upon a matter of such gravity, and the very names out of which a structure has to be built bear dubious and contradictory meanings, the want of precision becomes not merely serious, but fatal. Upon any subject whatever, before argument can be maintained or a true result arrived at there must be a common ground of dispute. In exact science, men agree as to the meanings of axioms and postulates ; in law, to an issue ; in politics, to a question. The premises are not subject to dispute, because, if they be, argument is useless and logic unavailing.

Political economy is, of all subjects, the most unhappy in this respect. Not only is the name of the science itself indistinct, but the student is met at once with the remarkable and discouraging fact that all the principal terms used are ambiguous and contradictory in the meanings attached to them by different (and not seldom by the same) writers. This was forcibly pointed out by the late Archbishop Whately.

“For a specimen of the ambiguity of the terms most employed in political economy,” said Dr. Whately, “and of the tendency to neglect the defining, or to depart in practice from the defined sense, I may refer you to the late Professor’s account of the different definitions or employments by political economists of some of the commonest and most important terms, namely, value, wealth, labour, capital, rent, wages, profit. There is no one of these in the use of which all the most eminent writers have agreed with each other, and hardly one of them in the use of which some one or another of these writers has not occasionally disagreed with himself.”* Nearly all the writers on political economy, as thus pointed out, disagree upon the meaning of various fundamental terms.

Perhaps the most severe criticism upon the use of terms in the writings of the economists is contained in a recent book published by the Professor of Political Economy at Oxford. Mr. Bonamy Price (since this was written, unhappily dead) speaks with authority, and although he has no intention of so doing, he utterly demolishes any pretensions which the modern economists put forward to be expounders of a science. He begins by asking two questions, “Is political economy a science?” and “What is political economy?” Pointing out that the ordinary answer to this latter question is “the science of the produc-

* Whately on Political Economy, 4th edition, 1855, page 161.

tion and distribution of wealth." Mr. Price proceeds to ask "What is wealth?" This question stands at the very threshold, and the Oxford Professor proves from the writings of different authors of high authority, that not only do none of them agree as to the true meaning and extent of the term "wealth," but Professor Perry flings away the word "wealth" and substitutes "service." He might have added also Mr. Senior who, in lieu of "wealth" placed the term "utilities." The great Archbishop of Dublin desired to change the name of the science itself from Political Economy to "Catallactics," or the Science of Exchange.

The next term used is "value," and in relation to the meaning of this, Mr. Price shows how utterly confused and contradictory are the reasonings and definitions of the leading economists. The best illustration ever perhaps given is that of Sydney Smith. The learned and witty divine having joined the Political Economy Club, retired from it after a few months' membership, and on being asked the reason for such apparently strange conduct, replied that he had joined the club to discover what "value" meant, but that all he had discovered was that the rest of the club knew as little about the matter as he did. Mr. Thornton, in alluding to this anecdote, while criticising Professor Cairns's* remarks upon "value," observes that Smith's sarcasm was not unmerited nor untrue; and Bonamy Price, in summing up these criticisms,

* "Cairns on Value," *Cont. Review*, 1876.

concludes them by pointing out that Stanley Jevons felt so deeply the hopelessness of attempting to explain "value," that he was forced to exclaim "I will discontinue the use of the word altogether."* Thus, as he says, one class of writers flings away the word "wealth," and another the word "value." Mr. Price does not by any means stop here. He proceeds to show that Mill, Jevons, Adam Smith, Perry, Danson, Shadwell, Macdonnell, Cairns, McCulloch, Bastiat, Thornton, Macleod, Donisthorpe, Fawcett, Whately, Lowe, Malthus, Ricardo, Say, Chalmers, Goschen, Walker, Denny, Brassey, Bagehot, Leone Levi, Adams, Cobden, besides others more incidentally, are all more or less often in direct opposition to each other; and Mr. Price himself differs from each and all at different times and on different subjects. Nor are the disputes and controversies confined to the two terms of wealth and value. Rent, wages, profits, all emerge upon the scene as subjects of dispute; all are uncertain, unmeaning, and confused in action. "It has been largely debated amongst economists," says Mr. Price, "whether land and labourers are capital. Mr. Donisthorpe† thus states the issue:—"

"Are land and labourers rightly classed under the head of capital? To this question four answers are logically conceivable, and only four:—Land, but not

* Price, p. 34.

† "Principles of Plutology," chap. i.

labourers ; labourers, but not land ; neither one nor the other ; and, lastly, both.

“Is it credible that leading writers can be cited who among them return all four of these answers ?

“Such is the deplorable state of anarchy reigning in this department of enquiry that there is no difficulty in doing this. Mr. Macdonnell accepts land, but not labourers. Adam Smith, labourers, but not land. McCulloch accepts both ; and Mill neither ! ”

Mr. Price does not follow the general practice of travelling over the whole ground trodden by those before him, but limits himself to a few subjects which he classes under the head of practical political economy. Nor does he attempt the exact and particular method so much affected by the ordinary writers.

Mr. Price's edition of 1882 was followed in the succeeding year by Prof. Sidgwick in a work which has deservedly attracted considerable attention, both from the style of its composition and from the broad and comprehensive view which the learned writer takes of the subject. Mr. Sidgwick rather severely criticises his brother Professor for treating the subject in a loose and inconsequential manner, but on the whole the Oxford Professor is more correct, and more likely to be useful than he of Cambridge. For Mr. Price acknowledges the confusion and want of system which exists, and therefore limits his remarks to some portions of the subject which he considers likely to

be practically useful, while the Cambridge Professor traverses the same old ground and continues the vain attempt, although with great erudition and luminous mental power, to make a complete science out of the odds and ends of orthodox political economy. The only parts of Mr. Sidgwick's work likely to be useful are the introduction, in which he displays considerable powers in collecting and classifying both mental and physical phenomena, and the last chapters of his book, where he seeks to apply practically for the purposes of actual life some of the laws of the science, thus inclining to the same method as Mr. Bonamy Price.

After all, the two Universities teach much the same principles, the main difference being that the Oxford Professor recognises the fact that the so-called science is but a heap of unassorted theories and facts, some useful and others worthless ; while the Cambridge Professor attempts still to deal with the whole matter as a complete if unsatisfactory system.

It is not only, however, in the use and meaning of terms that confusion reigns in the camp of the economists. The laws which have been promulgated and the theories which have been submitted by different members of the orthodox school, are themselves the subject of serious quarrel and great diversity of opinion. No two writers agree upon the theory of political economy, as no two writers agree upon the meaning of the terms used. Almost the same dis-

cordance of opinions exists in relation to the principles of the science as is found in its terms and theory.

I cannot leave the two Professors, Price and Sidgwick,—one culling some parts of the current system which he desires to make practical, and the other attempting within the limits of the system itself to define it as a science,—without mentioning a more recent work, the very nature of which shows the hopeless uncertainty and confusion into which the teachers who occupy the chairs of Moral Philosophy and Political Economy have drifted. I allude to "The Social Problem," by Mr. Graham, of Belfast, published in 1886.

This book* contains an entirely new kind of writing upon political economy, at any rate on the English side of the Atlantic. Mr. Graham does not feel himself in any way bound to travel within the lines of scientific argument. Tracing the origin of the modern movement as a movement of human sympathy and denunciation, first definitely uttered by Rousseau, and finally thundered forth by Carlyle, he does not pretend to formulate the creed of the present orthodox teachers, or to criticise their doctrines. Using indifferently both the inductive and deductive methods, the Belfast Professor, whose sympathy for human suffering is as strong as that of Henry George, regards the position of society in reference to its duties and its dangers. With a powerful and sometimes masterly hand, he

* "The Social Problem." W. Graham, 1886.

sketches the appalling contrasts produced by modern progress, and in no uncertain voice calls the churches, the aristocracy, the professions, and, indeed, all classes and orders in the State, to consider and to act. In parts of this able book, there are passages of philosophic generalisation as to the primary sources of agitation, the origin and progress of private property, the Malthusian doctrine, the rise of the capitalist aristocracy, and the reaction against Mammonism now rising in England, so wide that they are not only worthy of the most ample perusal, but are also likely to bear good fruit. In addition to the works already quoted, I would mention Mr. F. A. Walker's work, 1885. This author joins with the Germans in making a fourth class of the division and receipt of wealth in the employer, or *entrepreneur*, receiving profits, and he finds fault with English and American economists for neglecting the functions of the *entrepreneur*.

Mr. Walker holds that the wages of the labourer include the whole remaining body of the wealth annually created, after deducting rent, interest, and the profits of the employer or *entrepreneur*. In this he follows and holds with Stanley Jevons. It is scarcely necessary to point out that both Jevons and Walker are utterly and completely wrong. Were it true that the labouring class did receive this portion of the wealth created, they would speedily become the owners of the greatest portion of the surplus wealth of the community. The error arises from the igno-

rance and confusion among all economists regarding surplus or accumulated wealth, and its distribution. Mr. Walker holds entirely the doctrine of extreme competition, although he thinks that legislation may sometimes intervene with advantage.

The whole work treats not of political economy as a science, but as a collection of maxims and of subordinate laws. McCulloch attacks the law of wages as laid down by Adam Smith, and adopted by Say, Sismondi, Malthus, and others; and McLeod, in his "Principles of Economical Philosophy" (2nd edition, 1882), in a very wide range of philosophic thought and enquiry, fiercely and successfully attacks almost every principle maintained by the orthodox political economists down to John Stuart Mill.

Outside the circle of what may be called teachers of the orthodox school, the leading principles of the political economy which has ruled the civilised world for the last century are not only criticised, denied, and refuted, but are held up to contempt and abhorrence. In Germany, the Historical School, the Socialists of the Chair, and those thinkers whose ideas are summed up, on the one hand, by Rodbertus, Lassalle and Karl Marx, who, though living and writing in England, still belonged to Germany, and, on the other by Held, Schmoller, and Von Ketteler, expressed in a greater or less degree their dissent from the current doctrines. In France, the different schools of the Communists and Socialists

lead the attack on one side, while Louis Blanc and Victor Hugo assail it, directly or indirectly, on the other. In England, either particular doctrines or portions of the whole system have been combated with equal vigour. The Christian Socialists, headed by Kingsley, Maurice, Ludlow, and Hughes, reformers like Thorold Rogers and Howell, and the extreme Socialists, whose present leaders are H. M. Hyndman, Belfort Bax, William Morris, the well-known poet, and Miss Helen Taylor, whose intimate knowledge of the thoughts and intellectual method of the late John Stuart Mill add weight and value to her arguments, continually oppose many of the leading doctrines of the modern system, especially that portion to which has been commonly applied the epithet of the Manchester School.

An error of great importance is found in the doctrine of the wage-fund. It was asserted that a certain portion of the capital of a community was devoted to the employment of labour, and this portion of capital was designated the wage-fund. This wage-fund it was said, existing within certain limits, provided the only means of payment for labour, and if more labourers required subsistence than the wage-fund would employ, wages fell, bringing about a state of destitution and suffering, as the wages of the labouring class were not sufficient to provide subsistence. The doctrine of the wage-fund has been exploded. Mr. Stanley Jevons gives a list of authors with whom he

agrees in disputing and denying the wage-fund theory, saying: "The relations of labour and capital turn mainly upon economic considerations, and the theory of the subject has been misunderstood, and perverted even by economists."

Other writers whose ideas are summed up by Professor F. A. Walker, in his book upon the wages question, show not only that the current of thought is now set decidedly against this theory, but that it is inconsistent with logic and with experience.

A simple argument will show the error of the wage-fund theory. All labour used for the production of wealth is paid by wages. These wages are drawn from capital, which is that part of wealth devoted to reproductive purposes. All wealth thus devoted is capital. Much wealth which could be converted into capital is never so used. The only limit which can be placed to the possible amount of wages is the total sum of wealth that can be so employed, which would form a very large proportion of the wealth of a country. Thus the total wealth of the United Kingdom is estimated at about ten thousand millions. Of this, it is quite possible that one half could be employed as capital, and paid as wages in one year. But who ever dreamed that five thousand millions would, or, practically speaking, could be so spent in the United Kingdom, in any one year, in paying wages? The amount of wealth available for the purpose, which would

thereby become capital, is far greater than is ever so used.

A more vital error than that of the wage-fund theory is found in the principle that wages as the purchase-money of labour form the proper and sole payment for labour. The theory of Adam Smith upon this point is both more humane and more just than that laid down by Mr. Ricardo. It seems the merest common sense to state that he who labours is entitled to the full produce of his labour. If that labour require the assistance of capital to make a full development of its productive powers, the owner of the necessary capital should be paid for its use ; but when that has been done, it is then but simple justice that the labourer should receive either the produce of his toil or its value in exchange. The disastrous effect which the orthodox system produces upon the industrial classes is not the result of any one of these errors singly. It is rather the combined effect of a number of subsidiary and intermediate laws, all of which spring from the selfishness which is the foundation and root of the whole theory. Capital is, as we have seen, the ruling power in political economy. This is held to be a natural law, and, as such, is accepted as reasonable and proper. Practically, indeed, this is to a great extent true in fact ; but that the ownership of capital should give one man the right to limit the food-earning power of his fellow men, to appoint their hours and modes of labour, to

prescribe their dwelling-place and means of livelihood, to absorb and to enjoy the fruits of their labours, is to make the owner of capital a tyrant and his workmen serfs. It exists, in fact, as do many other evils and iniquities in the world. It will be the crowning glory of a true system of political economy to break in pieces this oppression, and to afford to every man labour suitable to his capacity, the results of which he will himself enjoy.

Then, again, the doctrine of unrestricted competition (which has been compared in its nature and action to the celebrated law stated by Dr. Darwin to exist among the lower orders, "the survival of the fittest") has been proclaimed, especially by the Manchester School, as the very soul and spirit of commercial life. But competition, as is pointed out by John Stuart Mill, is only, in its keenest forms, of modern date. It has, no doubt, its good side, lending spurs to energy, exciting the inventive faculty and producing a very general state of bodily and mental activity. But under the present state and circumstances of our social economy, it has its bad side also. It has destroyed the confidence once placed in British manufactures; it has flooded every market with "shoddy"; it has consigned thousands of ships to wreck and scores of thousands of gallant sailors to a watery grave; it fills cartridges with powder that will not explode, and causes our soldiers to depend in the day of battle upon swords that will not cut and

bayonets that bend like lead. It grinds the faces of the poor, and brings down the wages of the labourer, whether in field or city, to starvation point. It adulterates the food we eat, and poisons, by bad drainage and want of ventilation, the air we breathe. Springing from the same evil root,—selfishness and covetousness,—it deadens the moral sensibilities, debases the hopes and aspirations, and fills life with the tormenting excitement of avarice.

It must not, however, be supposed that, in the midst of this struggling and swaying to and fro in the meaning of terms and the assertion of principles, there were none who perceived the evil tendencies and pernicious consequences of the whole system. Within the camp itself there were at least some who lamented with bitter grief over the evil state into which the civilised communities had drifted, and who anticipated with anxiety, and even with terror, the gathering of the harvest likely to result from the seeds then being sown. Beyond the camp of the economists there were always men who perceived and denounced the injustice of the current philosophy, as there have been down to the present day.

But they were few among the economists themselves who ventured to attack the acknowledged maxims and the practice of the principles contained in the orthodox school. In more modern times the whole public feeling among economical writers has undergone a great change in this respect. The evil tendency of selfish-

ness is openly admitted and lamented; the threatening aspect of society is acknowledged and deplored. But in the first half of this century results had not yet so far been accomplished as to place beyond doubt the fact that the tendency of the orthodox political economy was evil, and pregnant with national disaster.

Sismondi, who by many writers is held to be the precursor of the Socialists of the Chair, was the first to permit his feelings of justice and of sympathy to overcome his reverence for the great names and reputations which had lent their sanction to the received system.

After many years of devoted adherence to Adam Smith and his successors, Sismondi became convinced that the science as taught by them had nothing life-giving or wholesome in it.

In a long conversation which they had together at Geneva a short time before Ricardo's death, Sismondi said, "What! is wealth, then, everything? Are men absolutely nothing?"

As Quesnay and Smith are the real founders of political economy, Sismondi may be called the first reformer. His soul rebelled against the selfish system of the current theory. He longed to see a fair adjustment of the rights of labour and capital. He rejoiced in the profit-sharing of agriculture; he mourned over the apparently certain doom which brooded over modern society. But he had not the knowledge necessary to enable him to frame or

suggest a remedy. M Michelet well said of him, "His glory is to have pointed out the evils; courage was necessary for that!—to have foretold new crises. But the remedy? That is not an affair of the same man or the same age. Five hundred years have been required to set us free from political feudalism: will a few years be sufficient to set us free from industrial feudalism?" The heart of Sismondi was very large. All human sufferings seemed to find a home there. The degradation of the Roman people, the miseries of convicts in Tasmania, the wrongs of Ireland,—in short, the universal sufferings and wrongs of the poor drew from him denunciations at once terrible, eloquent, and true. Let one sentence, which will at this time strike home to every heart, reveal the deep sympathy which burned within him for the oppressed of every land,—"The social order of Ireland is essentially bad, it must be changed from top to bottom. The question is not to give the bread of charity to the famished poor; it is to secure existence property to every man whose hands are his only wealth." This was written before the great agitator O'Connell had commenced his arduous labours. Animated by a lofty Christian faith, inspired by a charity wholly unbounded, saddened by the contemplation of widespread want in the midst of plenty, he spoke and wrote with almost prophetic foresight of the time when all abuses should be rectified and the toilers of the earth share in the enjoyment of its

bounties. During his life time, his efforts in this direction bore no fruit. "I shall leave the world," he said in a time when he was greatly depressed. "I shall leave the world without having made any impression, and nothing will be done." He should have remembered that work such as his is never lost. It is the seed of the Kingdom of God. Rather should he have echoed the words of our own great martyr at the stake, "Courage, brother, we shall this day light a fire in England which shall never be extinguished." Sismondi first taught that association and sympathy were a better and wiser foundation for political economy than selfishness and individuality. He it was who asserted that the true aim of this science was not merely to show how the wealth of a nation might be increased, but how the happiness and well-being of the whole community could be enhanced by the equitable distribution of wealth when created. His work will not die. He has accomplished good. The great principles which he advanced and defended are now the heritage of all. He and such as he, though not triumphant during their mortal lives, have enriched mankind with a wealth more enduring than the gold of California or Peru.

It is remarkable that Sismondi and those who followed him took a far more just and correct view of the operation, not only of the current political economy generally, but of the operation also of its component parts, than the leaders of the Manchester School.

Every one remembers the prophetic visions of unparalleled and universal prosperity in which Mr. Bright and Mr. Cobden indulged at the inauguration of the Free Trade movement. Have those prophecies been fulfilled, so far as the vast majority of the people of England are concerned? In contrast with those golden dreams, let me place a few plain words written in 1847 by M. Miget in his translation of a collection of Sismondi's tracts :—

“ There can be but little doubt that we are rapidly advancing to a perfect freedom from restriction on trade, which, with the cheaper and more regular supply of food consequent on the repeal of the Corn Laws, is looked to as the one great cure for our social evils. But may it not be well seriously to consider that even were trade as free as the winds to every corner of the earth, yet if merchants and manufacturers look upon markets as unlimited, or only limited by the wants of the consumers, not by their income or means of payment, more will be produced than can be sold and consumed in a sufficiently short time to produce profitable returns, markets will be overstocked? . . . May there not also be just reason to fear that free trade will tend to foster the eager desire after wealth, and that anxiety to make large profits; and yet to undersell in foreign markets, *which can only be done by producing at the least cost, and must therefore lead to efforts to cheapen labour* to the lowest degree that the amount of population and the cost of subsistence render possi-

ble?" I have italicised these words because they are truly prophetic. During the year 1886 a great Commission, composed of the leaders of commerce, politics, and economic science, was inquiring into the causes of the present long-continued depression of trade and manufacture. This Commission has, after exhaustive examination, made its report. What does that report say? It simply proves that after forty years of trial the dreams of Messrs. Bright and Cobden have been rudely dispelled, and the anticipations of the translator of Sismondi absolutely realised. Production is overdone, and markets are glutted. Employment is scarce, multitudes are starving. Even Manchester is turning upon the principles of free trade. What is the remedy proposed? Why, *that the cost of production shall be reduced to the lowest limit*, which means, of course, that labour must be cheapened to the lowest degree by which subsistence can be obtained,—and perchance, on the doctrine of Ricardo, lower still.

It would be at once useless and wearying to proceed at length to discuss the various errors, false principles, and uncertain interpretations contained in the writings of the numerous teachers who, directly or indirectly, treat of political economy. It is difficult to understand how so many clear intellects, so much learning, so vast a mass of right feeling and humanity as were possessed and are still possessed by the leading writers upon this all-important subject, could have assented to the weak and puerile arguments, the fal-

lacious reasoning, and the inhuman principles of the so-called science. Men who, without doubt, would have given all their worldly possessions, devoted all the powers of their intellects, and, if necessary, have sealed their devotion with their blood in the cause of their country and their race, have yet during four generations condemned the people that they loved to a servitude more terrible than that of the Neapolitan galleys. It is impossible to comprehend how, with the light of heaven all around them, with the materials scattered in profusion at their feet for the permanent well-being of all classes of their countrymen, they could have failed to see the way marked out for them by the hand of Providence, and failed to lead the nation that looked to them for guidance to a great and happy future. Without, however, entering too minutely into details, I venture to sum up in a few paragraphs the leading principles and laws of the present system, and to pronounce their utter uselessness or their completely erroneous nature.

In attempting a synopsis of the leading features presented by the orthodox teaching, I do not desire to impugn the self-evident propositions which, by immemorial human practice, have become a part and portion of human life. What I intend is to show that the principles, laws, and maxims laid down by modern writers upon this subject are erroneous. In other words, that the foundations upon which the supposed science is erected are unsound and unsubstantial. At

the best, the principles themselves are but few and meagre. They can be classed in a very short category, and the arguments by which the majority of them are disproved have already been considered.

Placing, then, these principles and laws in categorical position, I state them as follows :—

*Laws and Principles of the present System
summarised.*

1. The foundation of the system is selfishness, utter and complete.
2. Labour is the source of all wealth.
3. Labour is the measure of value.
4. The produce of labour is its proper remuneration.

This is altered by Ricardo as follows :—

There are two prices of labour.

- (a.) Natural price, which will provide the means of subsistence to the labouring class without any increase to its numbers.
 - (b.) The market price, which varies, sometimes when labour is scarce and employment plentiful, being above the natural price, and at other times when employment is scarce and labour plentiful, sinks beneath, and will not give the means of subsistence to the labourer.
5. The wages fund,—which states that there is a

certain defined portion of the available capital of a community which forms the only source from whence wages are paid.

6. The Malthusian doctrine, that population outruns subsistence, inasmuch as population increases in geometrical, and the means of subsistence only in arithmetical, proportion or ratio.
7. The law of rent.—That rent is the difference or margin in value between the land paid for and the poorest land in cultivation.
8. The law of profits.—Profits are the rewards of abstinence.
9. The law of value, summarised by J. S. Mill, in seventeen long propositions.*
10. Competition is the cause of progress, when combined with selfishness.
11. Free Trade is the certain condition of increased wealth and national prosperity.
12. *Laissez faire*, including supply and demand. Government should not interfere, but leave all things relating to demand and supply to their natural course.
13. All produced wealth is distributed among the owners of land, capital, and labour, the three factors of production in the shape of rent, wages, and profits or interest ; and last,—
14. The latest development of the selfish and isolating spirit animating the economists, the

* People's Edition, 1865, p. 290.

decolonising school recently formed, but now defeated.

To summarise the meanings of terms used, and the doctrines promulgated in the standard works of the leading writers upon the orthodox science, is to prove, without a possibility of refutation, the ignorance of the teachers and the pernicious nature and general worthlessness of their teaching.

From the formation of selfishness to the final results, antagonism between capital and labour and unfair distribution of wealth, it is without a redeeming feature. In traversing one by one the assertions of the economists, this is seen so clearly as to make it wonderful that men could so long have been led blindly by an aggregation of pernicious untruths.

1. The proper foundations of the science are not selfishness and individualisation.
2. Labour is not the source of wealth.
3. Labour is not the measure of value.
4. The natural price of labour is not mere subsistence.
5. The wage-fund has no existence.
6. Population does not outrun subsistence.
7. The law of rent is not only in very many instances untrue, but is altogether superfluous and unnecessary.
8. The law of profits, as stated by Senior and John Stuart Mill, is ridiculous and incorrect.
9. The law of value is indefinite and unmeaning.

10. Selfish competition is not the only cause of progress.
11. Free Trade is not the certain cause of increased wealth, either to nations or individuals.
12. *Laisser faire*, as now understood to abandon the weak and helpless to the tender mercies of the strong and unscrupulous, is neither right nor prudent.
13. All produced wealth is not distributed in the shape of rent, wages, and interest or profits.
14. To cut off the colonial empire would be to ruin England and inflict a serious blow upon civilisation.

Political economy, as taught from Adam Smith to Fawcett, is not a science. Its language and nomenclature have no fixed meanings.

It is as impossible to argue accurately upon the propositions laid down by standard authors in the so-called science as it would be to argue upon the problems of the first book of Euclid if the axioms and postulates possessed innumerable and contradictory meanings.

If a square were sometimes held to be a circle and at other times a triangle, as well as a rectangular figure with four equal sides, it would be impossible to demonstrate one solitary truth concerning it.

But if all its terms were reduced to a certain and distinct meaning; if all its principles and laws were true beyond dispute; even then it would be useless. For, as Kingsley points out, there is in it nothing

synthetic, nothing constructive. The mechanical engineer, knowing the laws of his science, builds the vast steam engine, whose parts all appear in due proportion and position.

The architect, studying the rules of his art, erects the commodious dwelling or the stately temple. The shipwright, the civil engineer, the chemist, all proceed upon known principles and undisputed premises to construct the objects of their desire or accomplish a fixed and definite purpose. But with political economists it would be only and barely possible to gather sufficient from the orthodox science to make a tolerably successful attempt at production.

Concerning exchange many of the laws are vague and indistinct, while as to distribution there are none, or, if there be, they are kept secret. And in addition to the evidence already given regarding the utter confusion as to the meaning of terms and the truth and scope of laws, it is only necessary to assert that the Parliaments of all civilised countries, especially of the English-speaking nations, have, obeying the instincts of nature and humanity, in the course of legislation upon social subjects, remorselessly thrown aside the fundamental principles of freedom of contract, free trade, and *Laissez faire*.

It is humiliating to think that the intellect of the nineteenth century has been so narrow and so cramped upon this subject. While upon matters of far less importance it has roamed throughout the universe; upon this, the one question which presses upon

modern civilisation, it has not been able to advance beyond the mere alphabet of the science, and has not understood even that correctly or completely. This ignorance is no doubt greatly owing to the fact that so little direct enquiry has been instituted. Not one even of the writers who have devoted time and attention to its consideration has attempted to go to the foundations upon which it rests. All have been content to believe that those foundations were well laid, and this assumption, the taking for granted that the premises of the economists are correct, has effectually prevented any real and exhaustive examination. Once questioned, the whole fabric falls to pieces, and it becomes evident that he who would erect or interpret a true science of wealth must commence from the beginning. It is not necessary, nor would it be expedient, to disregard the history of the different movements, for in them all and in each of them there is an amount of truth both in theory and in practice essentially useful to the inquirer; while in a comparison of the different systems and of the different writings of the teachers will be found guiding lines of thought which, if not infallible, will be at least extremely useful in the ascertainment of the truth. When considering from this point of view the different bearings of thought and argument, it will be expedient as well as necessary, even at the cost of repetition, to place them side by side, to compare them in many ways, and to

discover with approximate certainty their exact purpose and place in a true system of political or social economy.

Comparison between the different Systems.—The commercial system beheld the science of wealth in its infancy. Experiment preceded theory. To the attentive mind it apparently presented similar results as arising from similar circumstances. Gold and silver being the universal media of exchange, and conferring upon their owners the universal power of appropriation, became the absolute sign and symbol of all wealth. No motives were assigned,—no principles taught,—no enquiries prosecuted as to cause and effect or motive and action. In the same way as the husbandmen perceived that if at the proper season he cast his seed into ground properly prepared, it would according to fixed laws yield him his harvest; so the merchants and princes of the sixteenth and seventeenth centuries saw, or believed they saw, that the commerce which brought them gold and silver brought them wealth; for gold and silver commanded generally all other material objects of desire. The speculations of Quesnay extended indefinitely the horizon of economic thought and discovery. His hand was used by Providence to open the gates of knowledge and to reveal a new and hitherto unknown region, full of all things beautiful to the eye and good to the taste. Even the widest development of the commercial system could but show the advantages derived from the exchange

of wealth already in existence. Oftentimes the gain of one was the loss of others. Commerce and banking which seemed to him the ideas and teachings of the earlier writers, good as they were in themselves, did not contain more than a part of the laws of exchange. And the laws so contained were for the most part erroneous. They attempted merely to show the methods and results of commercial intercourse. The work of the French philosopher was of infinitely wider scope. Recognising the existence of wealth already produced, and the necessity which always would exist for the production of fresh wealth, he sought to trace out the sources whence it flowed, and the laws by which it was produced. To his mind mere exchange was of secondary importance, for that would be certain to happen. The great questions to him were. first, Whence comes the wealth which supports and blesses men ? Second, What are the natural laws and conditions of its production ? It was but natural that Quesnay should attach primary importance to the labours of agriculturists and others who were engaged solely in producing wealth from nature. For he unhesitatingly and correctly declared that physical nature, and that only, is the true source of wealth.

This foundation principle of the physiocrats is, as we have seen, contradicted by Adam Smith, and his statement that labour is the source of wealth has been generally adopted by modern writers. The question is, however, beyond dispute. No weight of authority,

no amount of assertion, no arguments of casuistry, can for a moment shake the immovable foundation laid by Quesnay,—that nature is the sole original source of wealth. Labour produces, adapts, improves, and changes in form and value all material substances, but the mine whence they are all originally obtained is nature. To him who wisely beholds this great world,—full of hidden treasure, replete with appliances for human comfort, surrounded and governed by ten thousand harmonious natural laws, which, when discovered, open new fountains of precious things, new mines of gold,—the doctrine of Quesnay appeals with irresistible force of conviction, and affords intense delight. For it proves conclusively that the Creator has been mindful of His creatures; it convinces the mind that God's hand in nature has richly provided for the wants of all. It demonstrates, with simple but unerring certainty, that hunger, want, and poverty are not the proper heritage of mankind, nor of any living soul upon the earth. Ignorance may hide the path to the land of plenty; selfishness may close the doors of nature's granary; and philosophy, falsely so called, may wreck the hopes of generations and entail misery upon nations; but the earth lies waiting to give forth her treasures. In her heart are mines of gold and silver, of coal and iron; upon her broad and loving breasts are yellow harvests and ruddy fruits. The lowing herds and bleating flocks are her dower to her children, and without limit she yields the oil which

makes man's face to shine, the wine which gladdens, and the bread which strengthens his heart. To say that God has not provided for man is untrue. It is our duty to find out how the bounties of nature may be enjoyed by all the families of earth. Quesnay opened once more the gates of the material Paradise, revealing to men the glorious heritage bestowed upon their race. He did not pretend to lead them into poession. Yet his work was great and useful. For the work of the teacher of a true political economy is but the application of practical Christianity to the wants and sufferings of men. He who feeds the hungry from God's storehouse,—he who clothes the naked with the products of nature,—he who builds dwellings for the homeless on God's earth and directs labour to its proper object,—is truly the almoner of God.

As Quesnay had gone beyond the mercantilists in his search for the sources of wealth and the laws of its production, so Smith went beyond Quesnay in his efforts to find out the motives which animate men in the acquisition of wealth, the means employed for the attainment of their purpose, the natural laws which governed the employment of the respective factors of production, and the various and perplexing, comparative and relative positions occupied by different classes and individuals in the struggle for life and riches. Smith was in advance of Quesnay, equally in the field of his enquiries, the amplitude of his facts and illustrations,—and the general design of his work. His aim was both philosophic and noble. He desired

to reduce to a system, capable of application in all places and at all times, the production and exchange of wealth. But the best purposes of men, however noble, are not always achieved. Sometimes the means used are insufficient, sometimes they are improper, and sometimes they are calculated not to accomplish the end desired, but to defeat it. Ferdinand and Isabella raised Spain to the summit of greatness. Under their beneficent rule justice was administered, discovery encouraged, invention stimulated, commerce fostered, and art and literature ennobled. And yet the loftiest and holiest desire of that Royal pair prepared the way and provided the means for the decay and ruin of their beloved country. Intensely desirous for the happiness of their people, and deeply impressed by religious convictions, they drove the Moors out of Spain, and handed over the real government of their kingdoms to the Inquisition. To them this step seemed certain to be successful. History proved their hopes to be utterly fallacious. Beneath the awful zeal, the terrible despotism of the Holy Office, the courage, the faith, the wisdom, the patriotism, and the loyalty of Spain died out, and left her a wreck among the nations, and a mockery to Europe. I do not know of any better simile than this with which to compare the work of Adam Smith. Of him, as of Ferdinand and Isabella, the words of Shakspeare might be uttered :—

“The evil that men do lives after them ;
The good is oft interr'd with their bones.”

In his desire to supply a motive power for progress and the spring of action amongst men in the acquisition of material good, Smith selected selfishness as the sole operating cause and the proper cause. He dethroned humanity from its dominance in the world, and placed wealth and capital upon the seat of government. Keen, unsparing, and pitiless competition usurped the place of pride which custom had so long enjoyed; a false standard of value,—that is, the labour standard,—was introduced. Summing up the theory of political economy, as given to the world by Adam Smith, the lowest, narrowest, and meanest possible principles were preached as those of nature, and therefore of nature's God. These pernicious doctrines were hailed with delight by the great majority of thinkers. The few who objected were deemed only fit for a lunatic asylum. The evil seed rapidly germinated and bore fruit. The friends and followers of Adam Smith carried out his principles in other directions. Mr. Malthus clamoured for a law which would have rescinded the commandment of God, and condemned millions of unoffending children to certain death. Mr. Ricardo laid down his "iron law of wages," which declared the reward of the labour which produced all wealth to be the mere necessities of existence. An endless war was declared between the rich and the poor, employers and employed, and an absolutely impassable barrier was erected between political

economy and philanthropy, between the law of wealth and the law of God.

The effects of the practice of our present system during the last hundred years have been, on the one hand, to stimulate, with unparalleled influence, discovery, invention (especially in all labour-saving machinery), and the increase of accumulated wealth; on the other hand, to disorganise society, to sow distrust, suspicion, and hatred between the different sections of the community, and to debase all public and private feeling to the vile standard of a money value. The consideration of these effects in one direction will illustrate this argument.

The latest national development of the selfish and isolating policy, the effect of the orthodox science upon England's future, was found in the plan, openly advocated by Mr. Goldwin Smith and other leading economists, of severing the ties which bound Greater Britain to the old land, and casting off the whole colonial empire, including India. It is difficult to believe that any sane man not utterly ignorant could seriously meditate the abandonment of those mighty territories, that world-wide empire, which is England's present glory, and the guarantee of her future greatness and safety. The next generation will scarcely credit the statement that the influence of the teachers of a selfish political economy was so great in the United Kingdom, that they had obtained the tacit consent of all political parties to the disruption and desertion of

the whole outside empire. They had no mercy. From the ancient kingdom of the Moguls to New Zealand, from Canada to Hong Kong, all were to be abandoned. Lands won by the sword, lands ceded by treaty, lands obtained by occupation, all were to share the same fate. The fruits of a hundred victories, in which on land and sea the blood of our best and bravest had been shed like water, were to be given up and sacrificed at the shrine of Mammon. The labours and sufferings of centuries were to be forgotten or only remembered as a dream. The graves of sainted martyrs and of gallant warriors were to be deserted. Cities as great as the capitals of Europe,—a commerce vaster in extent as it was greater in value than that of any nation ancient or modern, save of the united empire of which it formed a part,—all were to be voluntarily abandoned. The Red Cross of Britain was no longer to float proudly in widely-sundered lands. A sentence of eternal banishment was decreed upon the millions of colonists, who, going forth in full love and allegiance to the Queen of their people and the country of their birth, had crossed the sea and made their dwelling in the wilderness, carrying with them to their new homes the boon of freedom, race, and country which is the heritage of every Briton. The beat of the morning drum around the world was to be silenced. The sun was to set upon Britain's empire. No such act of national suicide was ever contemplated by the leaders of any people. Had they succeeded,—and it is beyond question that

they had arrived, to use Mr. Gladstone's phrase, within "measurable distance" of success, and already in South Africa commenced to dismember the British Empire—to what a future of misery and peril would they have doomed the British Crown and the British people? It is impossible to contemplate their purposes without indignation, or their plans without contempt. "The colonies cost England money." This was their cry. Cut off the colonies, let them shift for themselves. Everything is to the economists and the Manchester School to be measured by money. Even to this day Mr. Bright ridicules the idea of a federated empire.

The idea was to keep a powerful navy in the narrow seas, to form a strong and elastic military force within the four shores of Britain, to isolate England from all outward interests and complications, and then to turn the once "Merrie England" into a vast workshop, from whose looms and forges the markets of the world might be supplied. For this result the greatness of Britain was to be bartered,—her diadem broken, her influence for good among the nations of the earth for ever lost. For this ignoble end the manifest destiny of the English race, so far as England was concerned, was to fail of its accomplishments, and her light was to go out for ever. In twenty years the dream would have been rudely dispelled. Foreign competition would have pressed far more heavily than it now does upon English manu-

factures ; the colonial markets ever expanding, the colonial lands ever open to the great stream of British emigrants, would have been the heritages of alien nations. Discontent and want coming like an armed man ; hopelessness within and contempt and insolence without ; would have been the fruit of this gospel of greed. No politician would now venture to propose the abandonment of the colonies ; no leader of a party would dare to propose the abdication by England of her premier position amongst the nations. Selfish in its principles, short-sighted in its views, unphilosophic in its structure, its teachers and professors squabbling about the meaning of the commonest and most indispensable terms, its disciples straying to and fro "in wandering mazes lost," striving to reconcile the contradictory utterances of the prophets of the science, utterly useless for all constructive purposes, hopeless of good, powerless to remedy the evils which afflict humanity,—assailed on the one hand by the cries of suffering and the pangs of want, invited on the other by illimitable means of usefulness, but utterly unable either to defend itself from the attacks of its enemies, or to avail itself of God's widely given opportunities ; the orthodox political economy is a complete and disastrous failure, a ghastly parody upon the true and immortal interpretation of the Divine goodness to man in nature.



CHAPTER VI.

Remedies proposed by economists for the condition of industrial classes—Poor Law condemned—Legal minimum of wages—Grants in aid of wages—The allotment system—Its advantages and disadvantages—Education—Free trade and protection—Uncertainty in many minds upon these rival theories—Both parts only of the laws of exchange—Tendency of each—Emigration—Difference between emigration and colonisation—Necessity for providing new fields for surplus population—Systematised co-operative colonisation—Its nature and advantages—Proportionate increase in wealth and population in this century—Aggregation of wealth in few hands owing to ignorance of laws of distribution.



THE spectacle of human suffering has on many occasions and in many ways called forth the sympathy of men, and prompted the formation of plans and systems of relief. In olden times the Church took upon itself the burden of providing for the poor, and amid the corruptions which stained the later history of some of the monastic orders in England, the benefactions and hospitality of the great religious bodies formed a brilliant contrast to the selfishness and tyranny of the ruling powers. When the monasteries were suppressed, and their wide lands given to the servants

and flatterers of the Tudors, these sources of relief were irrevocably lost to the poor and oppressed. In lieu of the charitable aid afforded by the Church, the Legislature gradually formed and altered the Poor Laws until they grew into a colossal pauperising machine, at once a burden and a disgrace to the community. Modern economists have not hesitated to condemn the Poor Laws. Although they have not been able to propose anything in their place, and, therefore, have not seriously sought to abolish them, yet they pass without hesitation their verdict of disapprobation upon a system which compulsorily levies taxes upon property in order to provide a starving multitude with scanty food and miserable dwellings. They would, if possible, cast the whole burden of the pauper classes upon the free-will offerings of the charitable, and if those offerings were not sufficient for the purpose they would leave the poor and the helpless to the hand of fate. Some partial remedies proposed by different economists, which I will now proceed to consider.

The propositions of Mr. Malthus have been already discussed, and it is needless again to refer to them. Besides those propositions, it has been suggested by well-known and respected writers that the State might so far interfere with freedom of contract between employers and employed as to decree by law what sum should be the legal minimum of wages. The legal maximum of wages in the interests of em-

ployers and landowners was long since fixed by statute and found unworkable. Much less would any legal minimum of wages be likely to succeed. So numerous would be the temptations to avoid an arbitrary law of this character, so dreadful would be the result if employers were unable through competition to give the sum fixed, that it is difficult to believe in the possibility of any measure of this sort ever being permanently successful. A modification of this system has been proposed,—namely, a statutory allowance in aid of wages; and this proposition has received support from many respectable thinkers whose opinions are worthy of consideration. But the allowance in aid of wages is even more untenable than the fixing of a legal minimum of payment. It would be liable to so many variations, to such abuse, and would afflict the whole community with such an inordinate weight of taxation as to become practically insupportable, while it would extend the operations of the pauperising spirit far and wide.

Another proposal, and one of a more practical character, is the allotment system, by which, through the interposition of Government and of local bodies, the industrial classes were to receive small allotments of land for each family or each individual. This principle has been somewhat travestied of late years, and held up to ridicule as the “three acres and a cow” system; but there can be no reasonable doubt of the many benefits that would arise to the workers of the

community if, besides the wages of their labour earned from employers, they and their families could live upon and cultivate a small plot of ground. But here, also, innumerable difficulties surround the application of a theory at once wise and expedient.

It would be impossible to provide the great majority of the labouring classes who live in the centres of population with even half an acre of land each. The allotment system might in some instances be beneficially employed; but it cannot be applied upon an extended scale by reason of natural and physical obstacles.

To enable each man in the community to obtain a small piece of land, far distant it may be from his present home, even accompanied by a moderate sum of money, would be in many cases practically useless. How many could now leave their various employments and at once become practical farmers and gardeners.

It may be that some have been trained to that life, and that some others possess such quickness and perception as would soon fit them for agricultural pursuits. Even in such cases there would be difficulties which they might not be able, perhaps not willing, to encounter.

The systems of land tenure described at considerable length by Mr. J. S. Mill, the Metayer system, the Cottier system, and the proposed Allotment system are all subject to very grave objections. At the

best they are but a revival of the small individual form of production which works at such terrible disadvantage when compared with the large and organised system. The small tenant farmer or even small freeholder bears the same relation to a great landowner whose extensive estates are worked by machinery upon a grand scale, and in organised and systematic methods, as the owner of a hand-loom bears to the manufactory of ten thousand spindles, or as the blacksmith working in competition with the vast foundry employing five hundred hands.

In some instances, no doubt, such as market gardens near a great town, the small proprietor may hold his own, as a blacksmith will also do for shoeing horses, and work of a similar kind, which requires care and minute attention to small details, and particular individual requirements. But the work of the future will mainly be conducted on a large scale, whether it be colonisation, husbandry, manufacture, or commerce. And it will be performed not only on a large scale, but upon the associative principle, with economy of labour and organised system.

I do not in any wise wish to disprove the arguments used by Mr. A. R. Wallace as against landlordism, and in favour of occupying ownership, because I believe him to be in the main, correct; but I unhesitatingly assert that production for mutual benefit upon a large scale in these days is better generally than individual production from small areas of land.

The well-known instance of the Channel Islands given by Mr. Wallace in favour of peasant proprietorship is a case in point. Jersey and Guernsey are composed of fruitful soil, and possessing superb climates.

All the small farmers are near a market. Numbers of persons with settled incomes retire to those beautiful islands to spend their lives and incomes there. These are not producers, but consumers of local produce. Thousands of tourists visit St. Helier's and Peter's Port every season. To carry these to and fro a constant commerce is kept up with English towns, especially London. To London therefore they are practically as near as the market gardens of Surrey or Middlesex.

But put a man away in the bush in Australia or New Zealand, in the backwoods of Canada, or the prairies of the Western States, and give him a small capital in money and stock, and a comparatively small area of freehold land, from the fruit of which alone he must support himself and family, and he will, if not starve, at any rate merely eke out an existence. Place, however, ten thousand such men and their families, with the aggregated proportionate capital, upon two or three hundred thousand acres of land, and, under ordinarily good management, and an organised system of labour and production, you will have a prosperous, even wealthy, community.

In small holdings there is so great a waste of time,

money, and labour, that unless aided by advantages of situation and of fertility, it is impossible that production from such restricted areas can compete with the foreign producer or afford anything more than the barest means of existence to the present proprietor.

In these days a mere rude subsistence is not sufficient to satisfy the educated and increasing wants of the labouring class. So many are the requirements of modern life that what a man's hands can grow on a little plot of land will not be sufficient.

Regarding as more peculiarly befitting the majority of men, the different callings and manufactures in which they are engaged, and by which they live, it is evident that it would be impossible for them to compete individually with the great and wealthy employers of labour in England, whether those employers be ordinary firms or joint-stock companies, even if a moderate amount of capital were forthcoming to assist them.

As I have before pointed out, all pursuits other than those which are peculiarly personal or local are rapidly passing into the hands of large individual or corporate employers, and the day is rapidly approaching when the small industries of our country, except for particular or local purposes, and under particular circumstances, will merge into and be absorbed by the gigantic concerns everywhere arising.

Then education has been supported as an antidote to poverty, ignorance, and idleness.

Education in itself is a mighty lever by which the

masses of a population may be raised in the scale of social existence. It brings in its train innumerable blessings, but if all the poor of England were highly educated, and economic laws and circumstances remained in their present state, there would be but little improvement in the condition of the multitudes as regards their possession and enjoyment of the means of subsistence.

Two great parties in the State advocate respectively the claims of free trade and protection, each holding the belief that their respective system is the best, and that it only needs the absolute domination of their favourite theory to ensure the abolition of poverty and want, and the inauguration of the reign of plenty.

I do not here allude to those peculiar organisations such as co-operative bodies, friendly societies, and trade unions, because they are in principle opposed to the foundation and the existence of the orthodox economy, and they are discussed and examined in that portion of this book which treats of the formation of a true science of political or social economy.

Upon the questions of free trade and protection the last few years have witnessed a growing change in public opinion.

The necessity for some movement to alleviate the present distress and provide against future dangers is so plain that no further delay can be allowed in the interests of public safety. It is an open secret that many of the most strenuous advocates of free trade are

beginning to falter in their allegiance. The absence of reciprocity, the closing of foreign markets to English manufactures, the competition of cheap labour sustained by British capital and directed by British skill, the influx of country populations into the towns, and the enforced idleness of such great multitudes of people, are results so wholly unexpected by the leaders of the free trade movement as to cause astonishment and dismay. That after forty years of free trade and of national increase of wealth, such results as these should be accomplished is enough to make even John Bright doubtful, and to cause Richard Cobden to move uneasily in his grave. The results anticipated as possible by Sismondi's translator are, in truth, realised. Many political leaders are openly declaring their belief that a return to the practice of protection is advisable. Some of the leading colonies, notably Victoria and New Zealand, are treading the same path, while both in England, the States, and the colonies the disputes upon the relative merits of protection and free trade, once thought to be finally settled, are now again roused to full activity. Like the smouldering ashes of a fire which, fanned by a sudden wind, bursts up afresh, seizing material half-consumed as well as inflammable matter hitherto untouched, these questions of free trade and protection have burst out in fresh scenes and in all parts of the earth.

Protection and free trade form but a part of the laws

of exchange, and protection is merely a remnant of the mercantile system. The theory of protection carried to its ultimate limit would protect not only each nation from its neighbours, but each portion of a kingdom against the other portions,—as, for instance, formerly in the case of England and Ireland; it would protect each city or sea-port as against the rest; would protect each locality, each calling, each profession, and, finally, each family and each individual against the others. As an ultimate result it would reduce man to a state of individual isolation, altogether destructive to civilised society. I do not intend to traverse the field of this conflict, to repeat the numerous instances of protection and monopoly which have in all ages existed, and many of which still do exist among men. My purpose is simply to point out the true and proper position of this question in relation to the whole system of political economy, and to show that protection and free trade are neither of them systems in themselves, but simply portions of the law of exchange, which, again, is but a part of the whole science. While, on the one hand, protection tends to individual isolation and antagonism; on the other, free trade tends in its final exemplification to erect all the families of men into one common society. It points in the direction and would produce the result of universal interchange and universal commerce. A commerce before which all barriers should be broken down and all restrictions

removed, by which the products of all climates, and the industries of every nation should become, as it were, common property ; and all the products of nature which industry could gather and appropriate should become practically the common heritage of man. A very slight consideration is sufficient to prove that in a system of distribution which would enable each and all to participate fairly in the surplus wealth of the world, free trade, as a system of exchange, must be more advantageous than protection, which is the negation of exchange; but it is at least doubtful, under the present system of distribution, which leaves nothing to the industrial classes but the wages of bare subsistence, whether it is not more in the interests of the labourers themselves that they should be protected from cheap labour in other lands. I do not, however, wish to enter into the controversy. Neither the one nor the other, nor a system compounded partly of both, will or can permanently benefit the workmen of Britain and their families. If protection force up wages in one or more industries, labour and capital will soon flock to that industry and bring the wages down to the ordinary level: while if free trade fill a country with the cheap produce of other lands, then the inhabitants of that country, being destitute of employment in their own homes, will not possess the power to purchase the commodities so imported, however cheap. Salvation comes not from either of these principles.

The unavoidable tendency of the present system is

to aggregate wealth in the hands of the few. Competition must reduce wages, increasing knowledge and the widespread adaptation of inventions must increase wealth. Thus the increase of wealth and the falling of wages travel together. No name was ever so suggestive of the tendency of modern political economy as that chosen by Mr. Henry George in writing upon this subject, "Progress and Poverty." By parity of reasoning it becomes evident, under present conditions, that in exact proportion to the increased rate at which wealth is produced will be its appropriation in the hands of the capitalist and the speculator. A comparison between the production and distribution of wealth at the commencement of this century and its production and distribution at the present time will suggest reflections upon this branch of the argument of a most serious character. A century ago the English-speaking populations of the world numbered roughly 20,000,000 — twenty millions, possessing property to the value of about two thousand millions (£2,000,000,000). At the present time the English-speaking races number one hundred millions, and the value of their possessions amounts to, at least, £24,000,000,000. Thus population has increased five times, while wealth has increased twelve times. In other words, while at the commencement of the century the wealth of the English race amounted to £100 per head, the wealth of the same race now amounts to £240 per head. It would not, however, be difficult to

show that out of the 100,000,000 of population, at least 30,000,000 possess less than the average of £240, and 60,000,000 possess practically nothing. It is not possible to ascertain with anything like accuracy the proportionate possession of wealth at the end of the eighteenth century, but the information which is obtainable demonstrates that wealth was then much more equally distributed than at present. If we take another comparison, we shall arrive at the same conclusion as to the inevitable tendency of distribution as now existing. Owing to the increased use of machinery and to the great knowledge and development of invention and of scientific laws, the productive power of a man's labour is, at least, five times greater now than it was a hundred years since. The amount of human power or horse power, developed in steam machinery alone is almost incalculable, and is daily increasing. Supposing that the labour of the 20,000,000 of English people was at the former period sufficient to provide for their own annual wants, and create superabundant wealth at the rate of £1 per head per annum, the labour of 100,000,000 now would suffice for the maintenance of 500,000,000 of people, and would leave an annual surplus of produced wealth to the value of £500,000,000 sterling. As a matter of fact, in spite of conflicts between labour and capital, with their consequent "lock-outs" and "strikes," in spite of the 5,000,000 of tramps and paupers, notwithstanding the enforced idleness of millions of the working

classes, and the wasted or unproductive labour of millions more, the result anticipated above is practically attained. The wealth of Great Britain and Ireland steadily increases at an average of £160,000,000 per annum. The value of the annual increased wealth of the United States may be safely put down at £240,000,000, and the increasing wealth of the colonial empire cannot be far short of £70,000,000 per annum. Thus, the 100,000,000 of English-speaking people are fed, clothed, and housed, many of them shamefully enough, and a surplus annual value is created of at least £470,000,000. Nor do I doubt that, with a proper application of labour now in existence, to the forces of nature, food, clothing, and shelter for another 400,000,000 of people could easily be supplied.

Yet, amid all this vast increase of wealth and wealth-producing power, the great majority of the English race is poorly fed, scantily clothed, and lodged in dwellings far inferior in comfort to the stables provided for the horses of the wealthy or the kennels for their hounds. It is not the want of production. It is not the want of the means of, and facilities for exchange. The evil lies in the utter absence of a proper system for the distribution of wealth. The resources of a wide-spread education may indefinitely increase that knowledge, which is powerful for the purpose of opening the treasuries of nature more widely, and causing the stream of material production

to flow with widening and deepening, as well as a swifter current. The national wealth may increase beyond calculation, but if there be no alteration in the law and system of distribution, the vast majority of our people will linger out a few years of miserable existence, or rise in a revolution of despair.

The second proposed panacea for the congestion of the population and treasure of the United Kingdom is emigration. In reference to this subject, it is advisable to regard the distinction now so constantly drawn between emigration and colonisation.

Emigration is the mere departure of people from one land for the purpose of entering into another; colonisation is the settlement of such emigrants in a colony, either upon the colonial lands or in some certain position as regards the means of obtaining a livelihood and joining in the work of the community. Colonisation bears to emigration the same relation that economic bears to chrematistic in the writings of Aristotle. Or, perhaps, it would be more correct to say that immigration or the mere obtaining of fresh arrivals by a community stands upon the same footing as the mere acquisition of wealth,—or chrematistic;—while colonisation, or the useful absorption of immigrants into the living work of the community, is equivalent to the useful application of acquired wealth,—or economic.

Emigration has been, in all ages of the earth's history, the sole method of peaceful relief practised by

over-crowded communities. In this limited sense, the principle which Mr. Malthus laid down as if it were a new discovery has always been and will be ever true to the knowledge of mankind. Population does, indeed, in any one spot, if it increase at all, outrun subsistence. A field that would suffice for the support of half a dozen people would not produce food sufficient for the wants of a hundred, and when that field has been farmed and cultivated to its highest level the average means of subsistence to be obtained from it can be increased no more. But there are other fields and other districts, other territories, other lands and continents. Migration is the only legitimate and natural method of disposing of a redundant population. Increase of population will bring with it no terrors or even anxieties to that nation whose leaders are capable of understanding their responsibilities and fulfilling their duties. It seems absurd at the close of the nineteenth century to speak to English people of the necessity, the expediency, or the propriety of emigration. If the nation had sent up its united prayers to Heaven for a great blessing to descend upon it; if it had, with unabated zeal and fervency, implored the Divine Providence to bestow upon it the power to destroy all war and to scatter plenty and contentment through the nations, God Himself,—with all reverence be it said,—could not have given a more favourable answer than that which is heard and seen in the present position of the

British empire. The increase in numbers, as rapid as that which swelled the family of Jacob into the Hebrew nation during the captivity in Egypt; the possession of unoccupied territories as wide and fertile as those portions of the globe now occupied by men; the dominion of the sea; the knowledge of science; freedom unfettered and absolute for good, are the gifts bountifully imparted to us as a nation by the Supreme Disposer of the destinies of men.

It is strange,—it may safely be said wonderful,—that these blessings so freely bestowed are the sources of anxiety, of trouble, and of terror to those to whom they have been given. With what dismay must the superior intelligences regard the utter helplessness which we exhibit, and our hopeless inability to avail ourselves of the mighty opportunities presented for our acceptance. The increasing numbers of our people, instead of inspiring us with joy as developing new forces, new power, and new industry, become a source of apprehension and alarm; boundless territories given to our care and for our enjoyment are looked upon as sources of trouble, expense, and danger; and our commerce is valued only as it ministers to the luxury and pleasures of one class of the people. Unable to perceive the grandeur of the destiny which God has so plainly marked out for the English race; too much absorbed in religious and political conflicts to have time or thought, either for the present necessities or the future welfare of the

multitudes and masses of the people, the leaders of society seem blind to the great future which is possible, and deaf to the voice which calls them and the nation over which they rule to their final development. The very circumstances which are calculated to inspire with hope are viewed with fear, and the sources of national power and wealth assume the shape of a spectre which fills the heart with dread. We should regard these matters from such a standpoint as will enable us to see them in their true light and meaning; to behold the adaptation which exists of means to ends; to recognise in the great armies of the industrious poor, not the materials for riot, bloodshed, and revolution, but the hosts which under proper guidance shall yet subdue and inhabit those great lands beyond the seas which now, silent and desolate, wait but the advance of these great battalions to yield their spoils in a peaceful and holy war. During the last half-century the question of emigration has assumed and still continues to assume a great power and influence over the public mind.

There have been two and only two classes of persons in England who have objected to the advancement and continuance of a wide and liberal system of emigration.

One of these were the employing manufacturers, who, with a selfishness too terrible to characterise in appropriate terms, even in the times of the cotton famine, during the American Civil War,

objected to the starving operatives being assisted to the colonies, because,—as one of their chosen spokesmen said,—capitalist employers could not afford to lose so many human machines. The men might starve; they might suffer a thousand deaths in seeing their wives and children pine away and die; but the class whose god was profits would keep them from the lands of promise and of plenty in the hope of being able yet to draw from their labour the means to gratify an unholy avarice.

If any one class of people could draw down upon our nation and our kindred the curse of Heaven it would be the worshippers of Mammon; for in them is the plague-spot of moral leprosy. It is the custom nowadays to talk much about the curse of drunkenness. The curse of avarice and selfishness, and of the idolatry of gold (which are all one), is a more tainted sore, a more terrible curse, in and to the community.

The second and remaining class opposing emigration is found in the leaders of the modern Socialists, who, with a despairing but short-sighted policy, seek to restrain all emigration beyond the narrow seas of Britain. It is difficult to discover, with certainty, the exact scope and aim of Socialists in this course of procedure. Either they must think that in the event of the capital and property of Great Britain passing into the hands of the Government there would be enough for the whole people, or they

must believe that the stoppage of emigration will produce a result favourable to their ideas, and by mere weight of pressure induce a peaceful revolution, or that the increase of population and consequent increase of want and misery, will force a revolution by violence. This last is too horrible to be contemplated. It is, indeed, certain that many of the great thinkers of modern days have believed that such a storm is brewing; but even in fancy to paint London in the hands of a vast mob, mad with hunger, with despair, and with hatred, is to evoke a dream more awful than any picture of real history or hideous phantasy of night. And yet, so blind and infatuated do the rulers of the people seem to be, that they act and speak as if courting an outbreak of the fearful volcano of human passions and miseries seething beneath their feet.

The recent refusals by the Imperial Government to aid in the projects of colonisation is but another instance added to many that have gone before, either to prove the indifference of the Government and the Legislature to the sufferings of the people, or their incapacity to rule the great nation of which they are the self-appointed heads. It may be, in this as in many other matters, that time and the pressure of public opinion will gradually force on reforms absolutely necessary and conducive to the public welfare.

But to one observing these things from a distance it seems to be tempting Providence that Parliament, while

it is attempting to rule a portion of the Irish people with a rod of iron, should, at the same time, treat the starving multitudes in England, Scotland, and Wales, not only with neglect, but scarcely disguised contempt. It is to be hoped in the interest of humanity that history will not repeat itself in England. After long misgovernment and tyranny, France had its Revolution. The sufferings of the slaves in the United States were expiated in an ocean of blood. Let us trust in the mercy of God that the wise counsels of great numbers of the well-to-do classes, the miseries now suffered by the poor, the hope of extended empire through all parts of the earth, and the sense of justice and of manliness which is popularly claimed as the birth-right of Englishmen, may compel the Conservative and slowly-moving majority in Parliament to take such steps as are absolutely necessary before it be too late. It would, indeed, seem to be a righteous retribution if the Socialists and the Manchester School were left to fight it out together. It would not be the first time in English history that emigration had been stopped, and they who stopped it suffered.

It is needless to recapitulate the names of those writers and thinkers who have urged upon the nation the expediency of emigration as a means of removing the surplus population of the country. In relation to the colonies another train of thought suggests itself. These vast landed estates, the value of which is equal to the whole wealth of Great Britain, were acquired

by conquest, by occupation, or by purchase. Whatever the order of their annexation to the empire, it is clear that all the property the Crown obtained in them became, *de facto*, the property of the whole British people. By what reasoning, by the exercise of what constitutional right, has the British Parliament given away nearly the whole of these splendid territories, not only to the control, but as the property, of a handful of the English people who happened to be first in the field? It may seem unpatriotic in me, a colonist of nearly forty years, thus to question the title of the colonists to their public lands, but I dare to doubt both the right and the expediency of the conduct pursued by the Imperial Government in renouncing entirely and for all purposes these magnificent estates, upon which every subject of the realm for centuries to come might have been with God's blessing placed in modest affluence and honest plenty. What have been the results to the empire and the colonists so far? The British people have given away a dozen kingdoms, and if they wish to colonise any of them they must purchase them afresh from the Colonial Governments. In the colonies,—especially of Australia,—a very sad and disastrous state of things has gradually risen up. The wealthy classes have in every colony obtained the power of legislation. The land laws of each colony have almost invariably been made subservient to the interest of cliques. The natural results are seen. A landed aristocracy, more

powerful if possible than that of Great Britain, has, in less than a century,—in most cases less than half of that period,—sprung into existence. Banks and other monetary institutions have risen of great wealth and almost supreme power. Political, social, and monetary influences have aided and sustained each other, and areas of fertile lands surrounding most of the available harbours of these great colonies, exceeding many times the acreage of Great Britain, have passed from the English people into the hands of a new, selfish, and ignorant aristocracy. Not only have they thus acquired the choice lands of these nascent empires, they have, as the governing class, borrowed over a hundred and fifty millions of money, which has been mainly expended in giving increased value to these vast estates, while they have not made the interest for the loans a charge upon their lands to any appreciable extent whatever. No doubt, to aid our imperial system of colonisation, large tracts of land in any of the colonies of this group could be obtained upon favourable terms. In New Zealand, ten or twelve millions of acres yet remain in the hands of the Maories, which could easily be procured with their consent, if some portion of the increased value went to them and their children. In another colony, Western Australia, yet a Crown colony, there are at least five hundred millions of acres of land beneath the control of the Government of England.

In South Africa, also, there is a wide field for settlement.

There can be no doubt that the Imperial Government, although it has given away, by enactment, to the different colonies the Crown lands within their respective boundaries, could lawfully send its surplus people to settle on the colonial lands. These lands were the birthright of the whole British people, and the Government and Parliament of England were but the trustees of this vast heritage. As a matter of fact, Parliament, indeed, passed such laws, and they have been given effect to, but Parliament had no such constitutional power ; and, save and except individual rights, which have been acquired by subjects of the Crown in portions of these lands, the present or any future Imperial Government can, and ought, to repeal the former thoughtless and improvident legislation, and re-vest the remaining colonial territories in the whole British people. Whatever questions of expediency may arise, whatever doubt as to the advisability of such a proceeding may occur, the fact remains that the Parliament which gave these boundless estates to handfuls of colonists in different portions of the earth, committed gross breaches of their duty, and were guilty of very grave crimes against the nation.

The mere emigrating of the people,—that is, the casting them upon the shores of the colonies to shift for themselves,—would, no doubt, be properly

resisted by colonists as being directly injurious to the welfare of the community. But the sending of suitable people with a proper object and certain destination, accompanied by sufficient capital to enable them to settle down in their new homes, and to become self-supporting and producers of wealth, would be hailed by the inhabitants of every colony as a boon.

Land as it exists in a state of nature,—that is, without the hand of industry to till it, or the expenditure of human labour to gather its products,—is useless. As soon, however, as the rule of man is extended over it, and it is compelled by natural laws to yield food to man and beast, it becomes useful.

It is the one fixed natural agent from which, with certainty and precision, the sustenance of man and most of his comforts are produced year by year. Upon its surface he builds his dwelling-place. It is indispensable to the continued existence of mankind. In proportion as this natural agent or force is obtainable and capable of occupation, the necessities, the comforts, and the luxuries of life are placed within human reach.

The ancient tribal ownership and possession of land has, in civilised societies, as we know, passed away, and individual ownership and possession debars the great mass of the people both from the possibility of occupancy and the power of enjoyment of any portion of the soil. In new and partially uninhabited coun-

tries, therefore, a state of great prosperity may naturally be expected to arise, because, large estates being accessible to all, the means of acquiring wealth become widely distributed among the first settlers. In the early days of a colony, the mere landing of emigrants upon its shores means to them the entrance into a garden of plenty. But when population has increased, when towns have been built, and the available lands within easy distances of the harbours and towns have been appropriated, when the conditions of the parent state have become attached to its children, then the same laws which shut out the labouring class from the possession of the soil in the older country operate in the new. Thus, although by reason of there yet remaining waste lands to be settled, labour is, to some extent, at a premium as compared with its price in the mother country; yet the conditions of both become so nearly similar as to render the simple deportation of those whose only means of livelihood is their labour, from one country to another, a matter of but little advantage to the labourers themselves, and detrimental to the interests of their fellows in the new country.

This gives a plain and simple reason, as simple as it is unanswerable, for the objections raised by the industrial classes in the colonies to the introduction of further labouring power.

But the introduction of labouring power, accompanied by sufficient means to enable it to reach and

occupy land more distant from the centres of population so as to open new markets for labour and new sources of wealth, is not obnoxious to the feeling or judgment even of the most conservative member of a trade union. Here it must be observed that after the accessible lands of a colony have become private property, and when, by reason of distance or of expense, it becomes difficult and costly to bring rough, or forest, or swampy land into cultivation, other difficulties arise. And these are difficulties not interposed by man, but by nature. To occupy and utilise such lands as these last-mentioned, concerted and organised labour, backed by capital, is absolutely necessary.

In any plan of colonisation, therefore, which may be proposed for colonies such as New Zealand, New South Wales, or South Africa,—and the same reasoning may, perhaps, apply generally to all,—these matters must be borne in mind. To project and carry into operation a successful scheme of colonisation, it is necessary first not to injure, but to benefit, the industrial population at present existing in the proposed locality of settlement. And as the opposition of men must be overcome or avoided, and their aid and sympathy enlisted, so must the difficulties presented by nature be fairly met, and all necessary measures taken to ensure her aid. Nor should it be forgotten in any such scheme that a community reducing the wilderness to a fertile

settlement will yet require the possession and enjoyment of other articles than those which they themselves can draw from nature, which articles they can only obtain by an extended commerce with the outer world. Their flocks and herds may increase and multiply; their ploughs may turn the soil, and the golden wheat yield its rich abundance; their fruits may be plentiful; but there will yet remain a thousand other things which they will desire, and which they only can obtain by giving for them their surplus products in exchange.

If a market can be secured by such settlements; if their beef and mutton, their wool and hides, their butter, and cheese, and fruit can be exchanged for the produce of the loom and of the mill; and commerce provide an easy method by which their wants can be supplied and paid for by the fruits of the earth won by their hands, then nothing is wanting to complete material success and the general comfort of the new community.

In olden times individual emigration was scarcely known, and modern writers unanimously express the opinion, not only that emigration is beneficial, but that it is most likely to be successful when carried out on a large scale, and in an organised fashion. The opinion of one of the leading German economists may be taken as an illustration of historic belief on this subject:—

“It is sufficiently evident that emigration from an

over-populated country may be attended with good consequences, *especially when it takes place in organised bodies.*" *

"Unfortunately, emigration in groups has recently become very rare, whereas during the Middle Ages it took place preponderatingly, first in armies, and then in communities." †

The present position of England is one which, unless the intense pressure of population be relieved by a sound process of emigration, seems likely to result in a tremendous convulsion. The operations of orthodox economy have resulted in the aggregation of wealth in the hands of the propertied classes to so vast an extent, and have left the multitudes so much without resources, that even a temporary interruption to the employment of the people or to the supply of food materials from abroad, would inevitably lead to a most serious state of affairs. No alteration, however complete, of the system of political economy can produce any immediate result in the position of the masses. New wealth must be created, new avenues of employment opened, new inducements to industry offered, new alleviations of present suffering must be practised in order to render the public position one of complete safety and the future certainly secure.

The immense and unparalleled accumulation of idle

* Roscher, vol. ii., p. 362.

† *Ibid.*, note 2.

labour power in England side by side with the useless accumulation of wealth and capital is a source of danger to the community as a whole. The mouths of the idle must be fed, their bodies must be clothed and sheltered. Thus they become a burden to the community.

Nor are these all the inconveniences which arise from the unnatural condition now occupied by some millions of people in the British Islands.

As these idle and pauperised armies, bitterly lamenting their own unhappy state, behold the splendour and luxury by which they are surrounded, it is but natural that envy, discontent, and hatred should arise within their hearts.

The English people are a patient and enduring people. But, however patient and enduring, it is surely madness, and not wisdom, to keep thus caged and starving such vast numbers of human beings, tempted continually to violence and rapine by their own miseries and by the open profusion and luxury they can see in the lives of the propertied classes.

But these idle hosts, dangerous and burdensome while within the narrow seas of Britain, would become producers of a new and unexampled prosperity if settled on the waste lands of the colonies. Discontent and sedition would give place to content and loyalty. Instead of being a burden upon the taxpayer, they would provide new markets for English manufactures, new food for English consumers. In place of needing

an incessant watch and guard, they would fast become the sentries and outposts of the military forces of the empire. And the wealth and capital now idle and useless in Great Britain would be profitably employed in supporting their labour in distant lands, until they became self-supporting and producers of a new and measureless prosperity.

Thoughts such as these, reflections of this character are so simple and unanswerable that it might seem needless to assert them. But facts and experience both show that the English Legislature, the English Government, and English public opinion have yet to be impressed with the very simplest and most elementary truths upon this all-important subject. If a federated empire be really desired, what bond of federation can be so strong as the golden chain of gratitude and affection, or the iron links of common and united interest? By cruel and oppressive laws England, a hundred years ago, drove from her the great colonies of America. By carelessness and misgovernment she has banished from Ireland, from England, and from Scotland, during the last century, millions of her people with anger against her in their hearts. Till within the last eighteen years she treated her colonies with contempt, and plainly intimated that she considered them incumbrances. Now the Imperial temper is reviving. The present greatness and wonderful possibilities for the future of the British empire assert a most powerful influence upon public opinion.

Let another step be taken in the onward march of the history of England. Let the armies of labourers now useless in their native land be marched to the unoccupied territories awaiting them, and let the unprofitable and stored-up capital of the United Kingdom be co-invested with these great forces of labour power upon the now unutilised forces of Nature so freely given to us as a nation.

This will of itself form a federation,—a federation which no shock of arms can break, and no question of contending interests can weaken. For millions would remain in England whose savings were invested in the colonies, and who would receive payment for such investments by the produce of these new lands. Millions would be made happy and contented, transplanted to the colonies, who, if kept in enforced idleness in England, will be robbed of their manhood and their faith in God. And with this forward step, if the rules of a new and complete system of political economy be introduced so that the vast stores of new wealth to be created may be fairly and equitably distributed, it becomes impossible to place limits to the individual and national benefits which may be obtained, or reforms which may be accomplished.



CHAPTER VII.

Political economy as yet not a science—Senior's claim—Kingsley's denial—Natural development of economic practice—Abnormal modern ideas concerning it—Wakefield on colonisation—Functions of nature—Necessity for labour—Necessity for capital—Gladstone, Fawcett, and Cairns on unequal distribution—Two cardinal errors in orthodox system—First, positive, selfishness as only motive power; second, negative—Utter ignorance of economists as to surplus or accumulated wealth, and the laws of its distribution—Erroneous canon of distribution—The profits of capital—Senior and Mill examined—Their errors on this point—No distribution of surplus wealth to industrial class, proportional increase of wealth and population since 1800—Labour gets no share of surplus wealth—Silence of modern economists on distribution—Guyot.



THE history of human teachings in all departments of knowledge has been characterised by a strange development of confident assumption revealed in every age, and every school, that each particular theory advanced was perfect and complete.

The science of political economy can claim no exception from this almost universal rule. It is ludicrous to read the dissertations of men of great culture upon this subject, and to find the old claim once more asserted in regard to political economy,

that as a science it is complete, that its axioms are well known, and that its principles are invariable in their action, and certain in their results. Mr. Nassau Senior thus writes concerning it. —“There is a science of production definite, exact, the axioms of which are as universal and demonstrable as those of astronomy, the practical rules of which are as simple and familar as those of arithmetic”

To this very open and confident statement, it is perhaps sufficient to reply that at present there is no such thing known as a science of political economy. That which goes by the name is but a mass of undigested facts, and disjointed reasonings upon questions imperfectly understood. It is aimless in its purposes, and inoperative, except for evil in its conduct.

“Indeed, I am inclined to deny to political economy, as yet, the name of a science. It is, as yet, merely in its analytic stage, explaining the causes of phenomena, which already exist. To be a true science it must pass on into the synthetic stage, and learn how, by using the laws which it has discovered, and counteracting them by others when necessary, to produce new forms of society. As yet political economy has produced nothing. It has merely said ‘*Laissez faire.*’ For it is my belief that not self-interest, but self-sacrifice is the only law upon which human society can be grounded with any hope of prosperity and permanency. That self-

interest is a law of nature I know well. That it ought to be root-law of human society, I deny, unless society is to sink down again to the Roman Empire and a cage of wild beasts I shall resist it as I do any other snare of the devil, for if I once believe it I must carry it out.”*

What Kingsley thus wrote is, indeed, essentially true, and although neither he nor other men of his school, Maurice, Hughes, Ludlow, and Bullar, or men like Mazzini, clearly saw how the evil teachings of orthodox political economy were to be overcome, they recognised and taught very strenuously that, instead of self-interest there must be self-sacrifice, instead of selfishness there must be sympathy, and instead of isolation and individual strife there must be association and co-operation before any workable scheme of social economy could be propounded. They confessed that they could not yet see how this was to be accomplished, and that they themselves failed in the attempts they made. And so, in the same letter from which the above quotation is made, Kingsley says :—

“ Now, as for any schemes of Maurice’s or mine, it is a slight matter whether they have failed or not. But this I say, because I believe that the failure of a hundred schemes would not alter my convictions, that they are attempts in the right direction, and I shall

* Charles Kingsley, “ Letters and Memories,” page 209.

die in hope, not having received the promises, but beholding them afar off, and confessing myself a stranger and a pilgrim in a world of *Laisser faire*."

The criticisms of the great author of Hypatia are just. Political economy has produced nothing. In its three stages through the mercantile system, the physiocratic system, and the modern orthodox system, it has explained or attempted to explain as Kingsley expressed it, "phenomena which already exist." But even this has been done with great uncertainty, and very often erroneously. The state of the civilised world from every point of view tells us unmistakably that the orthodox science has run its course, and that, unless some new and more complete system be adopted, great trouble will occur. Nor is the reason for the successive failures far to seek. Since the creation man had gone on in simple fashion practising a rude, but more or less correct, form of economy, without knowing its laws, as he spoke language correctly without knowing the rules of grammar. Then when the science was reduced, or it was attempted to reduce it, to form and shape, the purpose was only partially accomplished. Money or capital is, no doubt, one of the factors of production, but it is only one. So when Quesnay and Turgot proclaimed that physical nature was the sole source of wealth, they also erred by ascribing to a second factor the importance of all combined. So, too, the orthodox political eco-

nomists, greatly superior as they are to their fore-runners in knowledge, are still equally in error, in placing the sole source of wealth in labour. Capital, physical nature, and labour, are each and all indispensable to production of every sort. Each by itself is helpless, combined they produce all things. It is strange that this simple truth has not yet been admitted as the true foundation of political economy. The direct statement of Adam Smith and his followers that labour is the source of all wealth, gives to Socialism its strongest argument and most powerful reasons. It is asked, and asked with force, "If all wealth proceeds from labour, why does not the labouring class receive and enjoy it?" One strange fact in this aspect is that the necessity for the combination of land, labour, and capital is over and over again asserted in the "Wealth of Nations," and in every follower of Adam Smith, while yet they generally adhere to the principle that labour is the source of all wealth.

If we consider the common practice of men, we shall be able still further to find from it the proper system of economic science. Man lives upon the earth. He is doomed to toil. In the sweat of his brow he shall eat bread. From the natural elements, land, air, and water, directly or indirectly, he draws his food, his clothing, and his shelter. The air supplies the gases necessary for life; land and water yield to his labour the necessities of existence. He

subdues the earth and has dominion over it. Fish from the sea, cattle and sheep from the pastures, fruit, cereals, and roots from the earth,—these are the rewards of his toil. But food is not alone sufficient for his wants. His body must be clothed to protect it from heat and cold. First skins of beasts and the bark of trees afford rude apparel. Then he manufactures garments from the products afforded to his industry by nature. For shelter he first avails himself of caves, but soon erects a rude form of dwelling. At length dressed timber, stone, or brick is called into requisition, and he is comfortably housed. Thus in all primitive life, agricultural and pastoral pursuits, aided by the rudest forms of adaptation and manufacture, suffice for the support and even the comparative comfort of life. Let it be noticed also that the produce of this agricultural and pastoral employment, and this crude and personal manufacture, are for the purpose of personal existence and enjoyment, and not for trade and commerce. It is of the last importance that this should be borne in mind, because all men seem now to regard the pursuit of these primary employments with an eye solely to trade. The questions now are not: Is the land good that we may grow food of all sorts? Is timber convenient that we may build? Is it possible that we can make and sustain comfortable homes upon the land we go to occupy, and rear our families in honest and contented comfort? On the

contrary, they ask: Where are our markets? What are the means of transmitting our produce to those markets? How shall we be able to raise products with which the markets are not overstocked?

So completely has modern philosophy become imbued with this idea that the proposals made by Mr. Wakefield for colonisation, which practically compelled a number of people to live in towns, in order that they might provide a market for settlers in the country, is thus spoken of by John Stuart Mill:—"The application of this truth by Mr. Wakefield to the theory of colonisation has excited much attention, and is doubtless destined to excite much more. It is one of those great practical discoveries which, once made, appear so obvious that the merit of making them seems less than it is." 'The planting of people side by side over large areas might "assure to those families a rude abundance of mere necessities," but must be "unfavourable to great production or rapid growth,"—that is, does not seek so much to create commerce as happy homes blessed with a "rude abundance."

In truth, the covetousness and selfishness of modern social science sacrifices even the sacred peace and love of home, with all its holy affections, to the desire for wealth.

The first and normal aim in the occupation of lands is to grow food, to provide shelter, and obtain the materials from which clothing can be made.

Upon this natural foundation a complete and happy structure may be reared.

Manufactures, trade, and commerce will follow, properly to increase the comforts of men. These should not be masters compelling a miserable servitude from humanity ; they should be servants ministering to the wants and exchanging the products of all nations. First, let there be the supply of all home wants, so far as soil and cultivation will afford them ; then as large and wide a production of the most valuable and useful commodities as possible for commerce, so that the surplus may be changed for the manufactures and productions of other lands and races with equal benefit to all.

Selfishness is not only, as we have seen, the rule of action as a fact, but, what is much worse, it is endorsed as right and proper. In this way, the economical gospel of selfishness and covetousness has been always preached, and the influence has been reflected from theory to practice, and from practice to theory, until trade and commerce, and all pursuits having for their object the production and exchange of natural wealth have been demoralised and corrupted. Everything has been sacrificed to acquiring wealth. All the better instincts and hopes of humanity have been displaced by this desire. The great end of life is to amass. The World worships at the shrine of Riches. Even the churches have been carried away by the flood. Riches are righteousness ; poverty is sin. Production,

manufacture, trade, and commerce, as a means of a quiet and contented life, are unthought of; but they are prized and valued as they bring riches and position. To all conditions they are necessary, but we err when we allow them to become our rulers.

The earth contains its treasures of minerals and metals, it will yield also with returning seasons perennial harvests. And not only has the Creator given such great abundance of valuable things and such a diversified array of productions, but he has also endowed the dull, insensate soil with powers of reproduction wonderful beyond comprehension, as they are unerring in operation and beneficent. He has also created the animal organisms which, by the order of nature reproducing their kind, afford to men almost illimitable sources of food, convenience, and comfort. In addition to all these, the same mind has ordained and the same hand created innumerable laws in nature which, being gradually discovered and conquered by man, are used to minister to his wants and to increase his pleasures. No system of philosophy, truly so called, can prove that these powers and treasures of nature as such can by right be monopolised by any individuals, by any classes, or by any sections of the human family.

They belong to the whole race of man, for they are the common heritage of all.

When Mr. Henry George therefore traces a greater part of the "ills which flesh is heir to" to the pre-

sent system and extent of private ownership and exclusive possession of great areas of land, he is simply using an argument drawn from nature. He is asserting a fundamental truth in human economy. But he uses this truth inexpediently, and without due regard to the truths which surround it, and of which it forms a part. It is, indeed, a most important part, but it is still a part only. Not merely as regards land for the purpose of agriculture, or as the home of human communities, as in great cities, but as to land, the repository of all the treasures hidden in its bosom, the same truth holds good. It holds equally with relation to the cattle, sheep, birds, and beasts, which minister to our wants, and which increase and multiply by the laws and powers of nature. It holds equally in the realms of natural law over all those wonderful discoveries and inventions by which labour is economised, the power of production is indefinitely multiplied, and wealth increased beyond the limits of calculation. It holds equally in those common bounties of nature, air, light, and water, which encircle and encompass the earth, illimitable in quantity, immeasurable in extent, perpetual in existence. All these are the common property of mankind. By reason of its limitation in space, and difference in climate and fertility, there is, indeed, a wide distinction between land, and the other elements and gifts of nature.

The method of enjoyment, and the mode of usage

are different in the utilisation of land, and the enjoyment of the air and sunlight, or the result of scientific discovery and invention ; but the one universal rule holds good in all, that the gifts, the powers, and the capacities of nature are the common heritage of mankind. Speaking exactly, the only thing which one man can claim as against the whole world are his own personal share of produced wealth, which actually results from his own unaided labour, or which comes to him as the gift of some other being, and over which that other being had the like property and power of control. But how are all to share in the enjoyment of nature's gifts? That is the question ! The system of political economy, which gives a reasonable and practicable answer to this, even though it be but approximately complete, will by the fact prove itself true and worthy. At the present time, more than in other ages, the blessings and fruits of nature are monopolised by restricted numbers, while the happiness arising from their enjoyment is denied to those who form by far the larger proportion of mankind. While nature is the real source of all wealth, labour is always necessary to realise it, and to reduce it into human possession. The ore would remain hidden in the mine, the earth would be untilled and waste, the laws by which we are surrounded would never be invoked, nor turned into forces and instruments of production were it not for the active brains and busy hands of men. Thus

nature is the source from which wealth is derived, and labour is the agent by which it is produced, and made available. Here we are met by another truth, at once simple and important. So simple as to be self-evident, so important as to contain the greatest measure of earthly happiness. This is the right of every man to his own labour, and to all that it will produce, or its equivalent value. The old question again proposed itself. How shall this natural right of man be obtained ? To this query a true system of political economy will find an answer, at least, practically correct.

Human labour, unarmed with tools and machinery, and unsupported by food and raiment, would be powerless to avail itself of the treasures which nature so freely offers. Even the rudest savage has his spear or blowpipe, fishing-hook, axe or club of wood or stone, canoe, or yam-stick. These are his capital. Civilised man possesses other forms of capital,—tools, implements, beasts of burden, machinery, shipping, railways, stores of food and clothing, and last, but most useful of all, because it is a medium of exchange and commands all,—money, which now means gold and silver, but which will ultimately mean public credit. As at present taught, economic science retains the worst features of the two former systems, and has joined them with a code of evil principles. The reign of capital, which formed the mercantile system, still obtains. The acknowledgment and appropriation of

the value of land, and other natural forces on which the physiocratic philosophy was based, yet continues, while upon the doctrine of the supremacy of labour has been reared, strangely and as if in mockery, the selfish individual competitive principles which, joined to the evils of the other systems, places labour beneath the heel of capital, and fills the earth with suffering and wrong.

The actual distribution at present obtaining gives this world's goods into the possession of classes already possessing property. This fact is notorious. Deplored by every right-minded person and wondered at by all, the power which controls the destination of the accumulated wealth of the nations seems to be completely hidden. While men like Mr. Gladstone and the late Professor Fawcett are astonished and saddened by this result of modern civilisation, they are unable to explain the causes of such an evil, or to offer any remedy whatever for so disastrous a state of things. It is evident that the subject itself is not understood. For while our greatest thinkers perceive that political economy directs all the increasing wealth of a country into the possession of the capitalist class, they can only express their surprise and regret at this unhappy result.

Mr. Gladstone, forty years ago, gave utterance to the following words:—"It is one of the sad sides of the present social order in our land that the steady increase of wealth of the upper classes and the accumulation of capital should be attended with a diminu-

tion in the people's power of consumption, and with a larger amount of privation and suffering among the poor."

When twenty years had passed, the same great statesman, speaking in the same House (the House of Commons) said:—"From the year 1842 to 1853, the receipts from the income tax increased 6 per cent. in England ; and from 1853 to 1861, 20 per cent. It is an astonishing fact, but it is nevertheless true, that this prodigious increase of wealth benefited solely the well-to-do classes."

Nearly ten years afterwards, in 1872, the late Henry Fawcett and his wife, Millicent Garrett Fawcett, in their "Essays and Lectures on Social and Political Subjects," speak thus :—"Production has increased beyond the most sanguine hopes, and yet the day when the workman shall obtain a large share of this increase seems as far distant as ever, and in his miserable abode the struggle against want and misery is as hard as it ever was. The result of this is to create a feeling of profound hostility to the fundamental principles on which society is based."*

Professor Cairns says :—"The conclusion to which I am brought is this : unequal as is the distribution of wealth already in this country, the tendency of industrial progress, on the supposition that the present separation between individual classes is maintained, is towards an inequality greater still."

It is worse than useless to deny or hide from our-

selves the fact that our prevailing system has failed utterly, and without hope of recovery.

The laws which govern exchange are variable in their application and force, and liable to change with the changing methods and facilities of commerce.

The laws of value, currency, of demand and supply, of the cost of production, and of the value of money are not, as it seems to me, of as great importance as those laws which govern more immediately the distribution of wealth. The different theories and arguments advanced are indeed of great interest, but they do not affect the comfort of the industrial classes in any sense so deeply as the other laws of which I have spoken.

We have now to consider the two greatest errors of all; the first being an error of commission, the other one of omission. The first is the placing of selfishness as the sole and natural foundation of all human actions in economic practice. The second is the omission of the whole surplus or accumulated wealth of a community from the scope and contemplation of the argument together with the totally erroneous canon or formula of distribution propounded by all writers. Regarding for a moment the first of these cardinal errors, it is evident that the basis of selfishness is immoral and unjust. I have already alluded to the contrast presented in the writings of Adam Smith, between the motive power set up in his "Theory of Moral Sentiments," and that alleged in the "Wealth of Nations." It is matter for surprise that so profound

a thinker and so good a man, should not have perceived the inevitable tendency of practice based upon a precept so atheistic as selfishness. Unhappily the practice amongst men in the acquisition and enjoyment of wealth had ever been, generally speaking, selfish. But to advance in theory as correct that which had obtained in practice, simply because it had so obtained, was unphilosophical. By parity of reasoning, any vices, any tyranny, any superstition, or criminal indulgence might not only be justified, but approved and enforced as natural and proper if only it could be proved to have become customary through a long period of time.

The second vital error,—that of the omission of a proper scheme for the distribution of wealth,—is the most remarkable fact accompanying the whole instruction upon this subject.

In no one of the attacks made upon the present political economy, in that economy itself, nor in all combined, can there be found a plan or system containing the laws which either do or ought to govern the distribution of wealth. When the question of distribution is approached, uncertainties, confusion of terms, and ignorance all appear.

During the last eighty years the wealth of Great Britain has increased four times more than it had done during the eighteen centuries of the Christian era. What the growth and aggregation of national wealth will amount to during the next three-quarters

of a century it is impossible to anticipate. The boundless territories of the empire lying idle, unvexed by plough or spade ; great harbours inviting a mighty commerce ; a constant influx and absorption of people of other races in the Anglo-Saxon colonies, added to the ever growing increase of our own people ; the daily discovery and invention of labour-saving implements ; all tend to a wonderful condition of national prosperity. One problem, that of a fair distribution, yet remains to be solved.

To understand clearly the position and arguments advanced by different writers upon the laws which govern distribution, it is necessary to examine the words and terms which they employ in setting out and expounding the law itself.

All wealth produced is the joint product of the three co-factors,—land, labour, and capital ; and economists universally agree that such wealth, when produced, is distributed amongst the owners of these respective factors.

The process or mode of distribution they state as follows :—

To the owner of land, rent ;

To the owner of labour, wages ;

To the owner of capital, interest or profits.

Two of these terms are comparatively easy and simple in their meaning. The term “wages” explains itself in daily life as that return which is given for the labour of men. The term “rent” also

conveys a plain meaning to the ordinary mind. It is the reward given to the owner of land for the use of that land by another person. But the term "profits" is so ambiguous, and can be used in so many senses, as to be altogether inadequate to convey any clear or defined notion either to the ordinary common sense of mankind or to the scientific mind of the student. So greatly has the difficulty of the meaning and application of this term pressed, even upon those who adhered most religiously to its use, that they have attempted to define its meaning more closely than by the mere use of the name itself. By most of the great writers the term "profits," used to denote the distributed reward for the use of capital, is made up by the combination of three elements: (1) interest; (2) compensation for, or insurance against, risk; (3) the wages of superintendence. This definition of the term "profits" is plainly erroneous. One of its sub-terms or elements, wages of superintendence, is clearly part of the wages of labour; for all labour,—whether it be of the mind or of the hand; whether it be the advice of the physician or of the lawyer, the toil of the miner or the ploughman, the work of the bank manager or errand boy,—is equal in this, that it is labour, and as such receives its payment in wages. The wages of superintendence, therefore, are part of the wages paid to labour, and no wages can be a portion of the profits paid to capital. The capitalist who superintends great works may

receive it, but it is the reward of his labour, not of his capital.

Compensation for risk, also, is improperly included as an element of profit accruing to the capitalist for the use of his capital. What compensation for risk does the person receive who invests his money upon mortgage, who purchases Three per Cent. Consols, who buys a farm estimated to return four per cent. ? A risky investment, as the discounting of bills or money-lending, may be cited as an illustration of the compensation for risk, but this is no more applicable to capital than to labour. If a man be employed upon a hazardous undertaking or in a dangerous calling, he expects to receive higher wages. This argument, therefore, only proves that compensation for risk enters into the determination of the rate of wages charged by the labourer equally with the rate of interest charged by the capitalist for hazardous investments. So, too, rent is increased if property is to be used for dangerous or offensive purposes. If in the phrase "compensation for risk" it is intended to include an insurance against the loss of capital in commercial or other transactions, then it is clear that wages and rent should both include such an insurance against loss, for the labourer may perform his work and never receive payment ; his employer may fail, or be dishonest and refuse or be unable to pay ; so the landlord may be unable to obtain his rent, illustrations of which position can be seen on

every hand in the United Kingdom at the present moment.

But who talks of compensation for risk forming an element in wages or in rent? The term "profits," as applied to the return for the use of capital, is entirely erroneous and misleading.

The difficulties of its application were seen, though not remarked upon, by Mr. Buckle in his "History of Civilisation," where, in the first volume, chapter ii., he speaks repeatedly of the distribution of wealth into rent, wages, interest, and profits. This theory of distribution mentioned by Buckle is nearer the truth than any other classification yet made, though neither he nor any other writer seems to have apprehended its importance.

It is, however, quoted by Henry George ("Progress and Poverty," book iii., chapter i.—"The Laws of Distribution") as an example of the inextricable confusion into which [the principal economists have drifted in their jumbling of the terms of profits and interest. Yet Buckle is undoubtedly right, and Henry George is wrong. The American writer, after clearly and logically pointing out the difference between profits and interest, and proving that the true and actual return for the use of capital, as such, is interest, and interest alone, immediately thereupon falls into a worse error than that which had deceived the very writers whom he so justly criticised. In avoiding Scylla he falls upon Charybdis. Having completed

the idea that profits comprising all these three elements is the true return for the use of capital, and having established his own proposition that the true reward of that one factor of production is interest only, he then states that all wealth produced is distributed among the three factors of production, thus:—To the owners of land, rent; to the owners of labour, wages; to the owners of capital, interest; his theory therefore is that all wealth produced in a community is distributed to the different producing powers as rent, wages, and interest, and in this opinion he by no means stands alone.

Reflection will show not only that Henry George is wrong, but that this portion of the field of enquiry has not as yet been traversed by any writers. In what does wealth consist? What does it contain and embrace? What are the sources whence it flows? From what causes does it arise? And what are the canons and laws of its distribution when once created?

If all the wages of every class were spent without the saving of a pound; if landlords were to expend every shilling of the rentals they receive, and the capitalist to disburse every penny of interest coming to them, still year by year the accumulated wealth of a community would expand and increase. Hamlets and villages would arise in solitary places; villages would grow into towns; towns into cities; manufactories would spring up, commerce would spread, flocks and herds would increase, navies would grow,

great expanses of virgin land would be placed under tillage,—in a word, wealth would accumulate. And this wealth, the surplus accumulated wealth of the community, would be produced from the sources of nature by the brain and the hand of labour, aided and sustained by capital. Rent, wages, and interest would be the charges necessary to produce this wealth; and they would be used and consumed in such production. They are therefore the cost of production. This is recognised by some of the German writers, although they neither see the importance of the truth asserted, nor its direct bearing upon the law of distribution. Roscher clearly points out that the cost of production includes rent, wages, interest, and taxes. “An individual who pays taxes to his Government, and who has rented land and employed labour and capital to engage in production, must indeed, besides the capital he has used in such production, call all his outlay and interest, rent, wages, and taxes by the name of cost of production, since, unless they all come back to him in the price of the commodity, the entire enterprise can only injure him.”* The Germans also, beyond rent, wages, and interest, place a fourth part of distribution, namely the “Profit of the undertaker.”† Not, indeed, of that gloomy personage who carries us to our final earthly estate,

* Roscher, “Political Economy,” 13th ed., translated by Lalor, vol. i., page 316.

† Roscher, vol. ii., page 145.

measuring six feet by two, but the individual who enters into any undertaking whatever by which profit of a material nature can be gained.

But these differences, although they show the wider views and more liberal ideas of the German writers as compared with our own, which indeed characterise many of the French also, have in no degree illuminated nor expounded the true law of distribution.

In a prosperous community wealth is ever growing. Thus in Great Britain the national wealth increased between the years 1865 and 1875 by the enormous extent of £2,400,000,000 ; this surplus remained after payment of the cost of production, wages, rent, and interest year by year. Wages were consumed, rent and interest were used by their owners, and yet this vast addition had been made to the national wealth. A few millions, no doubt, had been saved by the working classes out of their wages, say £50,000,000, which, according to Mulhall, is excessive. Let us suppose another £150,000,000 representing the savings made by the recipients of rent and the receivers of interest : this would make a total sum remaining during the ten years from rent, wages, and interest of £200,000,000. Whence, then, has come the other £2,200,000,000, and to whom has that gigantic mass of wealth been distributed ? A few short enquiries will give the answer, and show how utterly untenable is the position maintained by the economists, that all the wealth produced

in a community is distributed in rent, wages, and interest. I have before seen that it is capital which supports and assists labour while producing wealth, and which remunerates the labourer for his toil. Mr. Henry George attempts to refute this position, which, on the other hand, is supported by the great mass of writers, but his attempt is by no means successful.

For although labour, indeed, impresses its value upon the objects upon which it is being expended during the time of such expenditure, yet the capitalist has to reward the labourer by imparting to him some wealth already in existence,—that is, capital,—and has to wait until the crop is reaped, or the house or the ship is built before he can obtain from the object upon which such labour is bestowed a return of his investment. Even supposing that labour be paid for by a portion of its own produce, that portion so used becomes, *de facto*, capital. Rent, wages, and interest, therefore, are the cost of production. Other Continental writers as well as Roscher expressly lay down this principle, and so inferentially do many of the English writers. The cost of production being defrayed, the produced wealth remains. And it is this produced wealth, this surplus or accumulated wealth, which forms the continually growing and expanding national property. This comprises all goods, properties, and values not expended in the cost of production, and remaining after the cost of production is defrayed.

This wealth is not distributed as alleged by the economists, but it is distributed only among the owners of capital and land,—that is, the propertied classes.

This is evident from the following considerations:—The owners of labour, the wage-earning class, receiving wages as the means of subsistence, do not, as such, receive one shilling of surplus or accumulated wealth.

That is to say, that of the £2,200,000,000 added to the national wealth of Great Britain during the ten years from 1865 to 1875, the industrial classes, as such, did not receive sixpence.

Contradictory and indefinite as are the meanings generally attached to technical terms in this science, they are as yet sufficiently positive and clear to enable us to maintain for some purposes an argument upon the general scope of their meaning. Thus wealth is the sum of material production from nature by labour, and capital is that portion of wealth which is devoted to reproductive purposes and generally consumed in such reproduction of wealth. Rent, wages, and interest are the price paid for the use of land, labour, and capital, when those three factors are together used to produce wealth.

Considered from any point of view, whether from that of logic or that of experience, the accepted theory of distribution is incorrect.

Let us take first the logical argument. A portion

of wealth now existing is devoted to, and used for, the production of fresh wealth. This portion, therefore, becomes, according to the terms of the argument, capital, because it is devoted to reproductive purposes. This capital is consumed in the payment of rent, wages, and interest, and its result is the production of fresh wealth. The wealth produced is new ; the crop from the seed, the fruit from the tree, the increase of flocks and herds, houses which are built, ships which are constructed.

That portion of the former wealth which has been consumed to produce this new wealth was capital expended. It was, in fact, the cost of production, and in no sense whatever can it be held to be that which is finally produced. Even in cases where the wages of labour and the payment for the use of capital are to be paid out of the proceeds, the balance which remains after such payment is distinct and separate from the portion so used, which in itself becomes capital. The wealth produced is only distributed in the shape of rent, wages, and interest if it become in its turn devoted to the production of new and fresh wealth. The produced wealth is not, therefore, nor is any part of it, distributed in the shape of rent, wages, and interest *unless* it be converted into capital and used for purposes of reproduction.

Let us turn now to the argument from experience. The wages of the labourers, the rent of land, the interest of capital being paid, the resulting wealth, a new

integral part of the national possessions, is the product.

At the end of the year, when the harvests have been gathered, the construction of houses and ships finished, none of the wealth then existing is distributed in the shape and under the forms alleged. It belongs to its owners, it is distributed amongst them as the result of their expenditure, but not in any way is it distributed in rent, wages, and interest.

Supposing a new year to commence, a portion of it may, indeed, be devoted to fresh production, which portion will become capital, and thus be distributed in payment of rent, wages, and interest for fresh production.

In short, the payments made are the capital necessarily expended to produce wealth, and by the necessity of the case never do and never can include any portion of the surplus wealth which is produced by it and added to the accumulated possessions of the community. Portions of rent may be saved by the owners of land; portions of wages may be saved by the owners of labour; portions of interest may be saved by the owners of capital; but when first paid to them for the use of their respective factors they were parts of capital expended for the purpose of reproduction, and not wealth or produce distributed as such.

The unearned increment of land, the warehouses and manufactories of cities, the great ships which carry the commerce of the world to and fro, the gold and silver which are produced from the mine, the

wilderness turned into fruitful fields, golden with their yellow harvests or nourishing upon their green surface innumerable flocks and herds, the very clothes we wear, the food we eat, the furniture and appliances of our dwellings, and the books within our libraries are neither rent, nor wages, nor interest, but have been made, or improved, or tended by labour for which wages were given, exerted upon land which yielded its owner a rental, which labour was sustained and assisted by capital, for which yearly interest was paid. It is in the unequal distribution or non-distribution of this surplus or accumulated wealth that the evil exists.

Did the vast sum of wealth amassed during the last fifty years arise from savings in rent, interest, and wages? Not at all. Wages were, no doubt, higher; interest, if anything, has been on a lower scale; rent, at any rate till a recent period, produced a greater result from the same given quantity of land. But so far from growing rent having given this increasing wealth to England, it was the great prosperity of the United Kingdom which caused all rents to ascend. What are the facts? The giant strides of manufacturing industry, the wonderful expansion of commerce, the railway and telegraph systems, the immense fortunes arising from patents, or from gold, silver, and other mines, the enormous increase in the value of town and city properties, both by reason of the unearned increment and on account of numerous improvements, the growth and

consolidation of the colonial empire, the flocks and herds, the ships and houses, trade and speculation, the unexampled profusion and mass of all sorts of productions, the adaptation of science and of art to the wants of men; these, and other causes of a like nature, but of subsidiary importance, have gathered together and stored away for the enjoyment of the capitalist class wealth such as no nation in the history of the world ever dreamed of. Not by conquest, not by the spoils of war, not by rapine or treachery, nor by exaction, have these wonderful results been gained, but by peaceful industry, by wisely-conducted commerce, by the subjugation of the laws and forces of nature beneath the hand of man.

Accompanying this unparalleled progress, and principally accounting for its wide development, has been the equally unparalleled progress of the English race and tongue. A century ago, when Adam Smith went down to his last rest, the English-speaking peoples did not number 20,000,000; to-day at least 100,000,000 of people possess this language as their national tongue. The trade of the Australasian colonies, which, when her Majesty came to the throne, was practically nothing, now exceeds in the aggregate value of its imports and exports the whole sea-going commerce of the United Kingdom of that day. Production and the power of production have literally distanced imagination, but the *distribution* of wealth is more unfair, more unrighteous, and more marked in its inequality, than ever

before; and this arises from that pregnant cause of all evil consequences in the material and social condition of the people, the selfish system of our ruling political economy, and its ignorance of the laws of distribution.

In the final process of the science no discovery has ever been attempted. The distribution of wealth is a *terra incognita*. Its geography is unknown. No footfall has echoed upon its shores. No eye has perceived its secrets. No tongue has revealed its laws. Yet here lie concealed the treasures of happiness, of contentment, and of prosperity. In this shadowy territory, so close to us that we are, generation after generation, coasting its strand, are mines more precious than those of Australia or Golconda, of California or New Zealand, of Kimberley or Ophir. In the silent recesses of this country will be found recorded those laws of God concerning the distribution of His gifts, which will produce universal happiness, drive want from the homes and the lives of men, weaken selfishness, and diminish crime. There is the Eldorado which the old sea kings sought amid storm and battle upon the coast of the Spanish Main,—the philosopher's stone is there. So little do political economy and its teachers know about the distribution of wealth, that the latest French writer, M. Yves Guyot ("Principles of Social Economy." English edition, London, 1884), alludes only indirectly to that portion of the subject in one brief paragraph as fol-

lows:—“When seeking for the proper method of levying taxation.”* Now, according to Adam Smith, the sources of income are three: profits, rent, and wages. How are they to be reached? By analysing every income in detail. In order to reach the general income, we must ascertain from every one what his private one is.

Yet that book is a mine of wealth. It contains compendious statements of figures, elaborate diagrams, long and logical arguments, and astonishing numbers of references, quotations, and contradictions from other authors. M. Guyot's definitions are more minute, more subtle, and in the main more correct than those of any other writer. Yet his exposition of social economy is dumb upon the one all-important subject, the laws of distribution. The only approach as yet made upon any extended scale to distribute wealth is that practised by the co-operative bodies, and even they are not aware that they are attempting, in a rude and irregular fashion, to solve the great problem of modern days, the discovery of the third branch of true political economy.

To explain the difficulties which have always presented themselves to the minds of writers upon this division of economic study, the teachers of the science have been sorely troubled. As I have before alluded to the statement made by Senior and endorsed by John Stuart Mill, that “profits are the reward of

* Page 280.

abstinence," I will proceed to examine that theory and the arguments by which it is explained and buttressed by Mr. Mill. Writing of the distribution of wealth, Mr. Mill treats fully of the wages of labour and the rent of land, giving a somewhat exhaustive treatise upon those two branches of the subject. He then proceeds to deal with the third part of distribution, namely, the profits of capital. A brief examination of both the theory and arguments will possibly convince any mind of ordinary intelligence of the utter and complete fallacy of the propositions advanced and the reasoning by which they are supported. Nor have I any doubt that the consideration of Mr. Mill's argument with ordinary care will convince even a sceptical mind of the gross, if not culpable, ignorance of economists upon the subject of distribution.

Mr. Mill, in chapter ii., section 15, treats exclusively of the profits of capital or stock, which he states to be "the gains of the person who advances the expenses of the production." He then proceeds: "As the wages of the labourer are the remuneration of labour, so the profits of the capitalist are properly, according to Mr. Senior's well-chosen expression, the remuneration of abstinence. They are what he gains by forbearing to consume his capital for his own uses, and allowing it to be consumed by productive labourers for their uses." Now this paragraph adds something, and something very material, to Mr.

Senior's expression, which in this very same paragraph John Stuart Mill approves and adopts. If "the profits of capital" are "the remuneration of abstinence" only, then there is no necessity to allow capital to be used by others in order to obtain profits. If, on the other hand, it would be necessary not only to abstain from the personal use of capital, but to allow it to be used by others in order that profits may be obtained, then Mr. Senior's expression, approved and adopted, is wrong. But let us take it, as indeed it must be taken, that not only abstinence is necessary, but the use of capital by others is also necessary to the obtaining of profits, and we shall only find ourselves getting still more in confusion. For John Stuart Mill immediately proceeds to speak thus: "Of the gains, however, which the possession of capital enables a man to make, a part only is properly an equivalent for the use of the capital itself, namely, as much as a solvent person would be willing to pay for the loan of it. This, which as everybody knows is called interest, is all that a person is enabled to get by merely abstaining from the immediate consumption of his capital and allowing it to be used for productive purposes by others. The remuneration which is obtained in any country for mere abstinence is measured by the current rate of interest on best security; such security as precludes any appreciable chance of losing the principal. What a person expects to gain who superintends the em-

ployment of his own capital is always more, and generally much more than this. The rate of profit greatly exceeds the rate of interest. The surplus is partly compensation for risks; he must likewise be remunerated for the devotion of his time and labour."

I venture to suggest that in no one page in any writing of authority in the whole range of literature can there be found greater confusion of ideas or greater contradictions than in the quotations here made from one page of John Stuart Mill. We find here these distinct statements:—

1. The profits of the capitalist are "the remuneration of abstinence."
2. The profits of the capitalist are gained by "abstinence," and by *allowing his capital to be used by productive labourers for their uses.*
3. A part only of profits,—that is, interest,—is the remuneration of abstinence, and allowing others,—namely, productive labourers,—to consume it for their uses.
4. A person who superintends the employment of his own capital expects to get much more than interest.
5. The rate of profit greatly exceeds the rate of interest.
6. Profits are the remuneration of abstinence, of allowing others,—that is, productive labourers,—to consume capital for their uses, remunera-

tion for risk, the remuneration for the devotion of time and labour.

But if a person spends his capital himself and superintends its expenditure, how can he abstain from using it or lending it to others ?

Thus on this all-important subject of the distribution of wealth we are gravely told, first, that the profits of the capitalist are the reward of abstinence simply ; then that they are the reward of abstinence jointly with the lending of capital to others ; then that profits are the reward of abstinence and the lending of money to others, and remuneration of risk and the devotion of time and labour of the owner himself using his own money ; while the statement before made, that profits are the remuneration for abstinence coupled with the lending of money to others, is flatly contradicted, and that interest, which is greatly less than profits, is the proper reward for this.

The absurdity of Mill's definition of profits is pointed out by different writers, notably by Mr. Dillon.*

* See "The Dismal Science," 1882, pp. 61, 62.





CHAPTER VIII.

Utopian theories—Communal and Socialist plans—Their weakness and errors—Inherent causes of failure in all—Confusion of morals, politics, and economics in all—American Socialism—J. H. Noyes—Mormonism—Its polygamy—Its economy—Nordhoff Vineland—Suggestions as to drink traffic—Continental Collectivist plans and writers—Henry George—Confiscation of rent value—Illogical and vicious nature of proposals—Defects and wrongs requiring redress—No salvation in politics—True economic science the only source of hope—Identity in principle between George and Socialists—Atheism of ordinary Socialism—Christian Socialists described—General condemnation of modern Socialism—Dr. Woolsey Grouland's co-operative commonwealth—Nihilism—The International—Its history and end—Hyndman—H. V. Mills—Pauper colonies of Holland—Penal colonies of Australasia—Their wonderful success—The Irish exodus—The present wealth of Irish emigrants in America and the colonies—Reflections upon these three great instances of recuperative human power—The story of Er—Close of Plato's Republic—Necessity for immediate action—Time and tide wait for no man—Responsibilities of national leaders and higher classes.

IN many ages, and in many lands, men have devised plans for the welfare and happiness of their fellows.

From the days when prophets foresaw, in the distant periods of the earth's history, the millennial reign of peace, and Plato taught, in the

gardens of the Academy, to our own times, men have indulged in these dreams and anticipations of a state of perfect justice, and perfect righteousness upon earth. Utopian as were their dreams, Utopian as were their hopes, rudely disturbed as they all were by the din of war and the selfishness of civilised life, they show that in every age there has existed a belief that a better state of society could be found than now exists, and a hope that such a happy result might be accomplished.

The Communistic and Socialistic experiments made during the last 100 years contain more important lessons than philosophy has given them credit for. They have been attempts to solve the social problem upon one side, while the great organisations of which the trades and labour unions, the friendly societies, and the co-operative bodies are typical and representative have been attempting the same task on the other. While the schemes of the Socialist and Communist leaders have been too wide, the aims and purposes of the great organisations of working men are too narrow. As a counterpoise to this, the plans and operations of the latter have been eminently practical and successful, while the theories and attempts of the former have been fanciful and unsuccessful. The causes of failure in all the plans which have been suggested for the social regeneration of mankind are found within themselves. From the Republic of Plato to the scheme of the International, all have aimed at the realisation

of a heterogeneous and complex policy. The same germs of failure and disappointment are contained in all. It is not that the results in many cases aimed at are unjust or impolitic. It is not that the means to be adopted are generally unlikely to accomplish the ends proposed; but it is because the social conditions sought to be imposed are too unnatural in their character, and too illogical in their description. No perfect human scheme of social development has ever been drawn up. It is not possible that it can be. If such a scheme were made to-day, it would be obsolete and useless long before it could be brought into general practice. Were it possible to bring it into force, like a new invention, it would need alteration before a year, nay, perhaps before a week, had passed. Who would now live in the Republic of Plato, or amid the calm repose of More's Utopia, obey the orders of his Philarch, or care to leave the busy scenes of life for what Macaulay calls the "profound and serene wisdom" of Solomon's house in Bacon's "New Atlantis," or submit to the just but monastic discipline of Campanella's "City of the Sun"? That generation has yet representatives amongst us who flourished when the generous but mistaken plans of St. Simon, Fourier, and Robert Owen were actually attempted in practice. Every part of civilised society is now the scene of some agitation, the aim of which is to supplant our present system of social existence, and give birth to other and new forms. Most of these

cannot succeed in their real hopes. They may produce revolution; they cannot produce success. If, however, short of revolution, they are able to build up, piece by piece, a nobler edifice of public welfare, and a more just distribution of wealth and comfort, then they will be useful to mankind.

In all substantial progress the signs of the times point out the step proper to be taken. Commerce is impeded by the long route round the Cape, and the Sandy Desert separating the Mediterranean from the Red Sea is pierced. The people are determined to have a fairer representation in Parliament, and the Reform Bill becomes law. Distant parts of the earth cry out for union, and the electric wire is stretched beneath the seas. The colonies of England become great and populous, they murmur at the distant government of Downing Street, and they immediately possess the powers of independent nations. The horrors of slavery are placed before England, and twenty millions of money are freely given to remedy that evil hated of God and man. Labourers complain that they are forbidden by law to join for mutual protection, and lo! the laws which have existed for hundreds of years are repealed. So, step by step, often after long delays and terrible conflicts, does society pass on in its course.

Dissatisfaction with the present and desire for change in the future are by no means confined to Anarchists. The very soundest teachers recognise the

necessity for reform and anticipate it. "The industrial reformation," says Mr. Ingram, "for which Western Europe groans and travails, and the advent of which is indicated by so many symptoms (though it will come only as the fruit of faithful and sustained effort), will be no isolated fact, but will form one part of an applied art of life . . . in a word, consciously directing all our resources to the conservation and evolution of humanity."* The article from which this is an extract is one of exceptional merit and erudition. It differs in form and method from the work of Cossa, but it is the only criticism in the English language at all comparable to the elaborate work of the great Italian scholar.

Experience is daily showing the utter failure of Adam Smith's system, but it is not in any sense necessary that the reforms proposed by the Communists and Socialists, by Utopian philosophers, the Land Nationalists, and least of all by the Nihilists, are required or adequate to remedy the evils complained of, or afford a satisfactory solution of the continually intensifying difficulties of our social life. The errors into which the various schemes have led their promoters are many and diverse. They do not fit themselves to the characters and circumstances of mankind now existing. Throughout the whole of the Utopian allegories men are supposed to be actuated by the highest and purest motives. Ambition, pride, selfish-

* Encyclopædia Britannica, "Political Economy," vol. xix., p. 401.

ness, and all other evil and ignoble passions are ignored, and men are treated as though these qualities had no place in the government of their lives or conduct.

The communal and socialist systems, as heretofore existing or attempted, invariably demand sweeping and radical changes in human character as the first condition, not merely of success, but of existence. The earliest communistic society was that of the Christians in the first Apostolic days. The change in human character necessary to create and sustain that wonderful society was no less than the regeneration of the hearts of its members, and the utter extinction in them of selfishness. The breach of this condition, as in the case of Ananias and Sapphira, threatened the destruction of the community, and, as the development was itself superhuman, detection and punishment were superhuman also. This is the only recorded instance of a community actuated solely by unselfishness and brotherly love. Unfortunately with decay of faith it soon faded. The systems of the leading modern socialistic and communistic teachers have been founded upon either complete changes or serious modifications both of the thoughts and customs of ordinary life. The institution of the family and of the marriage state, the sanctities of home, parental control, and the incentive of emulation, the natural difference and inequality of physical and mental power, the noble rivalry which springs from honour-

able competition, the reward of active industry and talent, the punishment attending upon idleness, indifference, and criminal selfishness, amongst other things, are either totally obliterated or so nearly lost as to change well-nigh completely the aspects and conditions of the immemorial life of man.

The error of the Socialists lies in this, that they mingle together and confound the science of politics or government and the science of political economy or wealth. The production and distribution of wealth, as such, do not, nor can they ever properly, form part of the functions of government. The primary objects of government are, as we know, the protection of life, property, and liberty. To provide for the safety and good government of a people is the first duty of any Government. But in a highly-civilised state of society it is found that many things are required by the community and by the people as a whole, independently of actual safety, though sometimes in the interests of all and for the public welfare. The administration of justice and the national defence are primary objects ; the building and control of railroads and the establishment of a postal service are matters of public convenience. It is quite possible, under existing circumstances, that the governing powers in any State may have not only to make public improvements upon which considerable sums of money are expended, and many men employed beyond the ordinary work of the public departments, but also to give

facilities for self-support to those out of work in order to prevent suffering, pauperism, and crime. And in doing this it seems proper to assert that the labourers if employed should be made to produce wealth in some shape to reimburse the State for its expenditure. If possible, they should be so employed as to utilise for their own support land and other forces of nature in the country itself.

It was upon this principle that the pauper colonies of Holland and Belgium were founded, and it was upon a still wider and deeper principle that the colonies of New South Wales and Tasmania were made to turn the dangerous classes and the waste lands of the empire into great and flourishing communities. The State, however, in these cases only placed the three factors of production in contact, land, labour, and capital, and private and associated enterprise did the rest. If, as the Socialists teach, the State is to control the production of all commodities, to become the employer of all labour, the distributor of all wealth, why should it not, also, say what clothing, what food, what sports, what religion all the people are to use and practise? In such a case all liberty and all individuality would be gone. But human society will never consent to such a state of things. Not even the most advanced Socialist would tolerate so dreadful a bondage for a week. All that the Socialists require and wish for,—and far more,—can be obtained by a true political economy. Every sys-

tem or invention which will increase production, every facility for transit over land and sea, every method and appliance for the swift and economical exchange of different commodities ; every plan of social reformation which will provide for the fair and just distribution of the necessaries and comforts of life, can be worked and used with propriety and effect under political economy, and under political economy alone. Their aim, so far as it asserts the right of the individuals who create wealth to enjoy it, is proper. But they will never achieve it by confounding the domains of the two sciences nor by making the State one vast field of Government agencies. On the other hand, the political economists have ever looked upon political economy as a science whereby capital might be increased, and the wealth of the wealthy become more and more abundant.

Nature performs its appointed duties with wonderful regularity, all its parts work in sympathetic accord with each other. The seasons come and go. Seed time and harvest, summer and winter, storm and sunshine, night and day, pass on in their courses. The vegetable kingdom obeys its laws ; the animals perpetuate their different species without fail ; the very worms which, so far as we know, blindly follow their instinctive laws of existence, help to enrich the earth, draining and fertilising the soil and fitting it for the service of man. All nature offers to humanity those objects and aspects which satisfy our desires,

delight our consciousness, or gratify our tastes. For what and for whom is this "banquet of nature" spread? Is it for the wealthy only, or the great, or the wise, or the powerful?

We are surrounded by invisible laws which, properly understood and wisely applied, will give the bounties of nature and of industry freely and without ceasing to all. And while the fair earth and its products were not granted to any small section of mankind, neither were the laws which regulate their distribution framed to enrich only a favoured few. Any science which teaches such a doctrine is false. Those laws of production and distribution which extend the blessings of nature and the rewards of toil to all, and those alone, are true. All others, however specious and plausible, are false.

Nor is it difficult to believe that the true system under which man is to retain the fruits of his toil, and which is intended to turn the curse into a blessing, will be, when discovered, simple and easily understood. Such a science, treating as it must of the laws which produce and distribute temporal blessings cannot in its nature be a "dismal science," but a glorious and comprehensive plan suited to all lands, all times, all people, and all circumstances.

The causes of failure of all modern attempts, such as those of Fourier, St. Simon, Robert Owen, and Calet, are not only to be found in the aversion felt by the majority of men to the overturning of so

many beloved institutions; they are traceable also, regarded as societies existing for the production and distribution of wealth, to the insecure, illogical, and uncertain foundations upon which they were built. Even a slight examination will be sufficient to reveal many causes, all operating towards the defeat and extinction of such associations. And this, although founded and governed by men of enthusiastic temperament, varied knowledge, and lofty purposes. Among the more prominent of these we shall discern causes of various natures. It is difficult to reduce them into any order or to class them in distinct categories. Many of them are of the same general character. Some are absolutely distinct. Thus attention may be directed to—

1. The unscientific and illogical mingling of moral, political, and economic principles contained in the plans themselves.
2. The distinguishing features already alluded to in the weakening of family ties and parental authority.
3. The abolition or partial abolition of individuality, personal property, and personal rights and responsibilities.
4. The fundamental error running through them all, of the equality of men in rights and powers, in requirements, and in share of property.
5. The necessity of a complete moral change in men as a condition precedent to permanent success.

6. The aversion to religion, or to that form of it which is prescribed by the Christian Faith.
7. The uncertainty of reward for industry or merit, and of punishment for idleness and wrongdoing.
8. The absence of the ordinary inducements of life to energy, foresight, and the exercise of individual powers.

All these but the first would necessarily affect the individual members of every such association, and sooner or later ensure disaster. These, however, are not all. Others are plainly perceivable which would affect the association as a whole. Amongst the most prominent and most certain of these, in addition to the first above mentioned, to produce discontent, disunion, and dissolution, are the following :—

1. The only common bond between the members was that of opinion, which being necessarily temporary and changeful, would sooner or later be broken.
2. There existed no authority based upon the civil laws of the country empowering the association to make and enforce rules and regulations for its own interior management, and no governing body armed with legal authority.
3. There existed no person or corporate body in whom the common property and rights of the whole society were vested in accordance with law, in trust for the benefit of all interested,

no body or council possessed of legal powers and compellable to act for the common benefit by laws similar to those which regulate joint stock companies.

It is by no means difficult to perceive that these errors being contained in the plans themselves, must inevitably lead to confusion and failure. The mere existence of such flaws in the construction and being of the associations, would necessarily tend to their destruction. It is not necessary to elaborate the reasons which influence judgment in this matter. The principles which formed the basis of these communities were in many cases immoral. The bonds of federation were weak and brittle; the hopes held out were cloudy and indistinct; the objects aimed at were greatly inferior in power of attraction to the ordinary purposes and objects of life, and the methods of attainment were inconsequential and uncertain. In addition to all these the sacrifices necessary were great, and not only great but continuous. In the face of such difficulties and so great uncertainty of event, it is not surprising that every practical effort failed. It would have been nothing short of a miracle if any one of these attempts had permanently succeeded.

Many efforts which have been made to improve the condition of the masses of civilised humanity, have been weakened by the diffuse nature and extent of the theories propounded and the experiments made.

This, without doubt, has arisen from the want of a clear perception of the fact that the science of wealth, its production, exchange, and distribution, stands alone and apart from all other sciences, as complete in itself as the sciences of chemistry or geometry.

It may perhaps be safely stated that any science will become known and capable of application in exact proportion as its limits and laws are clearly distinguished from those of other sciences, however analogous or cognate in their nature and operation. The science of political economy has only lately been studied and understood as distinct and separate from all other sciences.

In the consideration of this subject it must be remembered that political economy envelopes the temporal existence of all men. The exact sciences have no aim or object. They are the laws of nature regulating space, form, attraction, and proportions of things. They exist altogether outside and independent of humanity. Men cannot change or modify them in the smallest degree. With all the sciences and laws which touch and affect men as such, the case is different. These have a purpose in the general economy of existence. They can indeed be prostituted to other and baser ends. They are continually so misused. It is the triumph of man's intellect to discover not only the laws themselves, but their proper object. The great difference between political economy as now understood, and Socialism, Com-

munism, and the Utopian theories is this —The first consists of proper means towards improper ends, or none at all; the second of ends partly proper and partly improper, without any, or, at any rate, adequate means for their accomplishment.

The experiments made by Communists and Socialists towards social improvement and happiness traverse in every instance too wide a field. The dreams of Utopian writers are tinged with the same colouring. Sometimes they touch upon the distribution of wealth as well as its production, as in Sir Thomas More's "Utopia," and Morelly's "Basilade." Sometimes they pass by this subject altogether as foreign to or outside of the ideas of social organisation, as in Plato's "Republic." In the efforts of the Communist and Socialist leaders, and the plans proposed by them for the amelioration of human want and suffering, the production of wealth from nature by the labour of men, as well as its distribution, found indeed a place, but generally a subordinate place. But in no scheme, either theoretically or in practice, have the limits of the laws of the production, exchange, and distribution of wealth been considered apart and distinct from all other questions. Many writers have seen with great clearness the errors which existed in society, resulting in the startling contrasts between wealth and poverty; nor were they blind to the sources from which these disparities arose. Thus Morelly ascribes all the evils which men suffer

through the unequal distribution of wealth to one source, namely, the vice of avarice. "The only vice in the universe is avarice. All the others, whatever be their name, are only different modifications of this vice."

And in concluding a book written in answer to some sharp criticisms upon his "Basiliade," he stated that selfishness or private interest is "the universal pest, the slow fever, the consumptive disease of society"; and he preached an absolute communion in property as the great panacea for the woes which afflict humanity.

It is remarkable that in all the modern experiments and in all teaching, both ancient and modern, where the improvement of social organisation has been attempted, no effort whatever has been made to develop a true science of political economy, nor to separate the production and distribution of wealth from the general plans for social improvement. Throughout, from Robert Owen's institution at New Lanark and from the societies of St. Simon and Fourier, in France, down to the latest experiments in the United States, the same tendency is manifest. The proposals of the International, and of all the Socialist bodies in England, France, and Germany, are all weakened by the same defect. Until a better foundation is laid down in theory, practical in its nature, logical in its condition, and widely beneficial in its results, the old system will not only continue in existence, but it will

increase in vigour. If all the plans which are proposed, from those of the loftiest Christian communism to the lowest depths of the destruction advocated by Nihilism were reduced into practice, and the present selfish system of political economy, restricted, as it is, to mere chrematistic science, were continued, the conditions of the multitudes of men would not be bettered, at any rate permanently. Men wonder at the failure of so many noble undertakings, of so much philanthropic and religious effort, of so many seemingly well-conceived plans. So far as these plans are intended to affect the religious and moral life of men, they must fail unless founded upon the simplest doctrines of Christianity. So far as they are aimed at the alteration of social life, they will undoubtedly fall to pieces or fade away if they propose to alter marriage relations, family and parental discipline, and those ordinary forms of society which have commonly existed from time immemorial. So far as they attempt to rectify the abuses and sorrows under which, through the unequal distribution of wealth, men now suffer, they must also be defeated unless they proceed upon a pure and logical system of economics consistent with justice and practicable in daily life.

The United States have provided a theatre during the last half-century for more experiments upon communistic and socialistic foundations than have been attempted during all previous historic times. In the

history of these movements, there seem to have been two epochs closely assimilated to the two epochs of the co-operative movement in England. The first dates from the introduction of the principles of Robert Owen to America in 1823, and the second from the Fourier movement in 1843.

In a most interesting and instructive volume, Mr. J. H. Noyes,—himself no inconsiderable figure in the development of this socialistic philosophy,—has given a complete summary of the history of these communities.*

A compendious record had been commenced many years before by a Mr. A. F. Macdonald, who, however, died before his work was nearly completed. Macdonald was one of those who toil on patiently for the good of men. Sombre and grave in manner, with a benevolent but withal sad air, he travelled far and wide through the States gathering all possible information about all societies, living or dead. His aim was pure and noble. In an unpublished preface to the contemplated work, found many years after his death in 1854, amongst his papers, he says:—"I have reason to believe, from long experience among social reformers, that such a work is indeed, and will be, most interesting. It will serve as a guide to all future experiments, showing what has already been done; like a lighthouse pointing to the rocks on which so

* "History of American Socialism," J. H. Noyes, Philadelphia, Lippincott, 1870.

many had been wrecked, or to the haven in which the few have found rest. It will give facts and statistics to be depended upon, gathered from the most authentic sources, and forming a collection of interesting narratives. It will show the errors of enthusiasts and the triumphs of the cool-thinking, the disappointments of the sanguine, and the dear-bought experience of many social adventurers. It will give mankind an idea of the labour of body and mind that has been expended to realise a better state of society; to substitute a social and co-operative state for a competitive one; a system of harmony for one of discord." And in another preface, speaking as becomes a man of sombre mind, and with an air of sadness, he says:—"It remains for a future historian to continue the labour which I have thus superficially commenced; for the day has not yet arrived when it can be said that communism or association has ceased to exist, and it is possible yet in the progress of things that man will endeavour to cure his social diseases by some such means; and a future history may contain the results of more important experiments than have ever yet been attempted. I here return my thanks to the fearless, confiding, and disinterested friends who so freely shared with me what little they possessed to assist in the completion of this work. I name them not, but rejoice in their assistance."

This was written shortly before Macdonald's death. He and his fearless and confiding friends have mostly

passed to the judgment of Him who seeth not as man seeth, for man looketh upon the outward appearance, but the Lord looketh on the heart. The large mass of material collected by Macdonald was used, and is gratefully acknowledged by Mr. Noyes, who, however, amplified and corrected it, and incorporated its results with his own extended observations. The History of American Socialism contains brief histories of nearly one hundred distinct societies based upon widely different principles and plans.

Besides the works of Hepworth Dixon and Noyes, a very careful summary of the finances, principles, and statistics of some of the leading American communities has been written by Mr. Nordhoff, whose work is the result, for the most part, of his own examination. I do not include in these brief criticisms upon the American communities any mention of the Mormon history. That is a subject in itself, which, without doubt, contains many of the features of other individual societies, but extends, in its principles and practice, to a wider range than any of the rest.

The destiny of Mormonism is tolerably certain. Its peculiar and distinguishing feature of polygamy will gradually fade. Its extinction will be brought about partly, no doubt, by the positive laws which the States seem determined, not only to enact, but to carry into execution. A still more potent factor for its destruction will be found in the continuous settlement of Gentiles in Salt Lake City and the territory

of Utah, and the breaking down of those barriers which isolation once placed around the location of the chosen people. The tendency of all civilised communities is to monogamy. The one man and one woman theory will outlast and overcome all others. It was possible for a few enthusiasts, living alone and apart from the world, secluded by antipathy and violence, to cling with devotion even to the errors which brought persecution upon them. But when the busy stream flows through and intermingles with the sequestered pool, the stagnant water must unite with the flowing stream, and partake of the force and nature of the current with which it mingles.

The economy of Mormonism, which will with advantage be retained, may still become a practical precedent for the production and distribution of wealth. And, indeed, the illustration given by the history of the Mormons is quite sufficient to prove that wise measures as well as simple may unite the production and distribution of all the comforts of life gathered even from the sand of a desert, by the hand of labour, under every disadvantage. No community has ever carried the principle of co-operation so far as they. Mr. Nordhoff's book, with greater distinctness, and with sharper outline than the works of Dixon or Noyes, presents the social principles on which the American communities are based. From extreme and absolute celibacy to a condition of common sexual life perhaps un-

paralleled in any ancient or modern State, we see the gradations in which it is possible for men to live out their little span of existence. The great majority of the American communities founded within the last seventy-five years have already perished. Those which remain will, as such communities, follow the same track. Nor will the world be any worse when these strange and paradoxical experiments in human life and social existence shall have passed out of the region of fact, and simply live upon the page of history. They also will have served their purpose upon the earth; they will have warned men of the rocks and shallows which abound in parts of the sea of life; they will still live to point a moral or adorn a tale. It was necessary that all possible thoughts and theories of life should be attempted, that men in these modern times of mental activity and speculation should behold the difference in the possibilities for the attainment of happiness which lie respectively in the old and well-trodden regions of human practice and revealed law, and in those fanciful and grotesque fields to which they were led by the strange vagaries of speculative thought.

The most pleasing, as it is the most interesting, of the communities whose history is sketched by Mr. Nordhoff is that of the district of Vineland, where one of the great problems of civilised life is practically solved; and although this practical solution exists only upon a limited area as regards locality and num-

bers, yet in principle it is clearly capable of wide, perhaps of universal application. In another portion of this book, I had, many months before reading the history of Vineland, hazarded the statement that the liquor traffic and public drunkenness could be palpably lessened, if not absolutely extinguished, were the present facilities and inducements for the sale and purchase of spirituous liquors removed. The history of Vineland strengthens my belief in the theory I then advocated.

The figures which Mr. Nordhoff gives as to the material success of many of the American communities are suggestive and encouraging. For they all bear testimony to the same truth that by the union of land, labour, and capital in one proprietary,—even though the land be poor, the labour weak and inefficient, and the capital small,—the results prove conclusively that there is no need upon the earth for that want and suffering with their attendant crime, which spring from enforced idleness.

These communities are subject to the same laws as the more ambitious efforts before alluded to. The same elements of weakness and decay exist in them as brought the plans of Owen, of Fourier, and St. Simon to ruin. In all such efforts there must be system, and system according to logic and to law. There must be a foundation of legal force and authority, a title to land and other property, rewards for industry and talent, and punishment for vice and indolence.

The American socialistic experiments are in no sense to be compared as efforts to better the condition of the working classes with co-operative schemes in England, or the friendly societies, or the trade and labour unions. They were little more than attempts in the organisation of social life. Here as elsewhere we are met by the unfortunate fact that the complete autonomy of the science of wealth has not yet been recognised or understood. It stands, or ought to stand, distinct and perfect in itself. It is, indeed, joined with other sciences in the world of law as individual men are comprised in a nation, but, like each individual, it has its own separate existence. It is confounded with politics, with communism, with socialism, and with religion, but it is totally distinct from all. It is simply the system of laws by which wealth can be best produced, most easily exchanged, and most equitably distributed. Politics may indeed guide its development by positive law ; religion, by its honesty and sympathy, promote its interests and inspire its activity, but it is distinct from both. The indiscriminate combinations of wealth-producing and communal and socialist settlements have nearly always failed. They who would succeed in the practice of political economy must be guided by proper and just laws for that science only. Neither government, theology, communism, nor socialism, however perfect, can supply the want of correct principles for the science of wealth. Beyond the necessities of life there lies the region in which man seeks knowledge and

rest and recreation. In a period such as this, when under wise and righteous social laws wealth so easily procured might be widely enjoyed, there seems no serious difficulty in providing for the whole community a very large participation not only in the means of living, but in the means of making life enjoyable.

The nearest approach to a practical theory is that of Karl Max (Winkelblech), which, however, rests in theory only, and it is one of the strongest testimonies to the virtue of co-operation or association ever written.

Among other proposals must be mentioned one, which during the last few years, has achieved great publicity. I allude to the Land Nationalisation of Mr. Henry George and Mr. Wallace.

The proposition made by Mr. George in his valuable work, "Progress and Poverty," if carried into effect would not, so far as I can see, achieve the result which he, with so much enthusiasm, hopes and wishes to obtain. Nor is it easy to see how the condition of the labouring classes would be improved materially by adopting his one principle stated by himself in these words, "We must make land common property." At the present time land is common property in so far as all land belongs to the State, and it is undeniable that the commonwealth has at any time a right, complete in itself, to resume possession of its own.

The proposals to which Mr. George invites the

assent of thinking men, as following upon the adoption of his one principle, are two in number. The first is,—

“We should satisfy the law of justice; we should meet all economic requirements by, at one stroke, abolishing all private titles, declaring all land public property, and letting it out to the highest bidders in lots to suit under such conditions as would sacredly guard the private right of improvements.

“But such a plan, though perfectly feasible, does not seem to me the best.

“I do not propose either to purchase or to confiscate private property in land.

“It is not necessary to confiscate land, it is only necessary to confiscate rent.

“What I therefore propose as a simple, yet sovereign remedy, which will raise wages, increase the earnings of capital, extirpate pauperism, abolish poverty, give remunerative employment to whoever wishes it, afford free scope to human powers, lessen crime, elevate morals and taste and intelligence, purify government, and carry civilisation to yet nobler heights, is to *appropriate rent by taxation*.”*

Surely such reasoning as this overshoots itself, and is not calculated to effect the noble purposes which its author has in view.

The appropriation of all rent by taxation without compensation to the owners, would be, in spite of

* “Progress and Poverty,” p. 287.

any arguments on abstract justice, a glaring wrong ; nor would it effect any of the reforms contemplated by Mr. George.

What it would do would be simply to take the burden of taxation from the shoulders of the many and from wealth of all other kinds, to the ruin of one particular class of the community.

The evil effects of our present land laws and the necessity for radical change, are plain and certain, but to advance the proposition that all land is to be common property, and to carry that principle out in its full meaning, would be to cause society to dissolve and communities to relapse into barbarism.

If it be once admitted that in one particular spot,—whether it be a small allotment in a crowded city on which stands the shop and dwelling of a tradesman, or half a dozen acres in the vicinity of some great town from which the dairyman or market gardener raises with unremitting toil that produce, upon the sale of which he and his family subsist, or whether it be the farm where corn and cattle and fruit are grown for the food of men,—one man as against all the world shall have the right of occupation for any specified time, however limited, then that land so far is not, and cannot be, common property.

Mr. George's argument is also wrong and contradictory considered from another point of view. He states that private property in land is unjust, and that it cannot be defended on the score of justice.

The same reasoning might be applied to the ownership of all cattle, sheep, and all living animals ; all fruit and productions of the earth ; and all natural production whatever. But to assert that no man has a right to the exclusive use of and exclusive property in land under any restrictions, or for a specified time, is to forbid all building, all cultivation, all improvement, and all advance of civilisation. No man would build a house, or rent a house, unless the exclusive possession of that house were secured to him by law ; and no man would plough a field or plant an orchard unless the law of the society in which he lived assured to him the exclusive right to reap the crop and gather the fruit in harvest.

To say, therefore, that there can be no private property in, and no exclusive use of, land by individuals, is irrational and absurd. The very proposition which Mr. George makes to appropriate rent by taxation, proves that there must be exclusive possession and usage of the land by those who pay the rents. Property in land, according to our law, is of various kinds. For instance, there is the title in fee simple, which is a perpetual title or for lives, the highest title known to English law ; a title for a term of years or for less than a year, and title by permission or sufferance or by occupancy. All these, however, are private property in land. The error into which it seems to me that Mr. George has fallen is in confounding the distinctions which exist between prin-

ciples and degrees. In his anxiety to redress the great sufferings which have been and now are being inflicted upon the poorer classes by the unequal and unjust distribution of wealth, and by the operation of those artificial laws which enable the owners of land to live in opulence on the labours and privations of their fellow-men, he has rushed to conclusions which reason does not warrant. He has wrongly traced the miseries which men suffer in his eagerness to relieve those miseries.

The aggregation of enormous estates in fee simple in private hands, the great increase in value of those lands by what is called the "unearned increment," or, as it would be more properly termed, the growth of value; the immense political and social power which has been given by the laws of descent, by the powers of hereditary legislation, by the comparative immunity from taxation, and by the controlling influence of a great landed aristocracy, all arising from the excessive degree to which private ownership of land has been carried,—these are indeed some of the sources from which the present inequality of wealth, —the poverty of the great masses of the people,—have arisen. Under such conditions the history and the laws of England have been made by the great proprietors of land for their own benefit and the aggrandisement of their order. By them literature has been patronised and directed; in their interest laws, like the laws of Draco, written in blood, were

enacted; for the protection of their interests standing armies were maintained, and the poor were left uneducated. They did not exist and labour for the public weal, but the whole machinery of government and the industrial powers of a nation were utilised directly and indirectly for their advancement and the continuance of their power. The same history was traced in France, but that history was stopped and its institutions shattered by the Revolution. With us it will also be stopped by a revolution, we may hope, not of blood, but of thought, of reason, of argument, and of public opinion. With us the tongue and the pen will prove mightier than the sword.

It cannot be denied, as a matter of taxation simply, that land and land values are the fairest and most easily-collected of all taxes. But there is other wealth besides the value of land which should bear its share of the burdens of society, while luxuries should undoubtedly contribute their portion. Nationalisation of land will not give all that is required; taxation of land is indeed a just taxation, and the principle in that direction advocated from the days of Louis XV. to the year of grace 1888, seem to me undoubtedly correct. But other species of property should be taxed also. All wealth, which is not created by the personal effort of the individual man, is brought into existence either by the laws of nature or by the work of others. For that, therefore, the possessor is indebted either to nature,—that is, to forces which are

primarily common property,—or to the labours of others. Taxation is levied to supply the natural wants of a whole community. The State is, from this point of view, an individual; its wants must be satisfied, its debts paid, its safety assured, its functions properly exercised, its multifarious duties duly performed. To supply the annual charges necessary for all these duties, it draws or ought to draw upon its own revenues. That revenue of right should be derived from those portions of the aggregate estate and wealth of the entire people which more especially belongs to the community at large. The unearned increment in land, the amassed wealth inherited or obtained by gift, or will, or succession from others, the personal estate of individuals not the result of the personal toil of the owner,—these are more properly the subjects of public taxation because they belong more to the general body of the people than the immediate proceeds of a man's own personal labour. But no system of taxation can ever do away with want and hunger except by pauperising the people, and to do that is to smite part of the nation with moral leprosy. We must not rest upon any government, or any system of laws, for these are always liable to abuse, to corruption, and to tyranny. We must trust to the reasoning power which tells us to seek an economic plan.

The only way in which land and the instruments of production can ever be truly nationalised is by

enabling the people to enjoy the benefits and share in the wealth arising from their use. This is possible. It is at once just, wise, expedient, and easy of accomplishment.

Turn now to the observation of another truth necessary to the proper consideration of the subject. All land in the British Empire is held from the Crown as representing the people. The highest title is a tenancy in fee simple. No person versed in English Constitutional Law can doubt that under certain circumstances and upon certain conditions all lands granted by such a title may be resumed by the State. The taking of all rent values by taxation, therefore, as advocated by Henry George is perfectly legal and perfectly legitimate. Two conditions, however, are always attached to the taking by the State of the individual property of its citizens. *First*, it must be necessary for the public safety or the public good. *Second*, such recompense must be made to the individual by the State if possible as will compensate him for the loss which he sustains. The greatest sacrifice of all which the State demands from its individual members,—that of life,—it is impossible to repay, but all questions of material property can be fairly adjusted and compensation given. If this be not done, the taking by the State of the property of an individual or a class as contradistinguished from that of the community, is either confiscation or robbery. Familiar instances of the resumption of land are to be found in the formation

of public works, of municipal improvements, and the erection of military stations. Upon principle, there ought to be no hesitation whatever in resuming land for the purpose of settling industrious workers upon it. The proposed purchase of the Irish estates is a gigantic case in point. Although the plans of Mr. George and the Socialists are not identical, yet they are nearly enough connected to enable us to criticise them almost in the same manner. What the Land Nationalist would do with land the Social Democrat or Federalist would do with all the means and instruments of production. All capital, all machinery, all means of productive usefulness should become the property of the State. There is but one difference in the ground of their arguments, and that can only be partially applied. Mr. George and Mr. Wallace hold that land is the source of all wealth. Land, therefore, is national property,—but many of the Socialists go further. They teach with the physiocrats that all the forces of nature including land are the sources of wealth. Why, therefore, should not all cattle, sheep, and fruits of the earth and seas ; all discovered laws of nature and inventions, belong to the people ?

There is a strange dissimilarity between the two schools in one important respect. While the leaders of the Land Nationalists number in their ranks most eminent Christian men and teachers, the great body of the Socialists are essentially infidel.

The unbelief which prevails among the majority of

Socialists is both strange and distressing. They look upon religion and the churches,—and in the later case with too much justice,—as maintaining the present order of things and as persistent opponents to all plans for social regeneration. They are not content to look for a rectification of wrong-doing in a future world. This life is certain and self-evident, and they must realise their ideals here or not at all. They occupy a peculiar position. They do not profess atheism, but simply negative all notions of religion and of God. The contemplation of the dreadful sufferings under which the multitudes who create wealth for others groan from the cradle to the grave seems to prove that if there be a God, He is not a God for the poor, the toiler, or the oppressed, but only for the great, the rich, and the happy. They give forth a pathetic and pitiable cry. Like the children of Israel in Egypt or in later captivities, they complain that God, if He exists, has forgotten them and will not fulfil His promises. They are wrong and foolish. But how great is the guilt of those who have driven them to this practical atheism.

The result, and partly the cause, of this is the antagonism of the churches generally to socialism, and from this, as Schaeffle remarks, “the socialism of to-day is through and through irreligious and hostile to the church. But to this also there are notable exceptions. In Germany the Roman Church, led by Von Ketteler, Archbishop of Mayence, who in his

book "The Labour Question and Christianity," uttered a loud and eloquent appeal on behalf of the labouring classes is an example. Eventually many of the Protestant divines joined practically in the same cause, which was unwisely checked by legislation in 1878.

And such, for example, was the position maintained by the Christian Socialists of England forty years ago,—a band of noble patriotic men who strove hard, by word and deed, to bring all classes of the community to a knowledge of their duties, as well as their interests, and to supersede, as far as might be, the system of unlimited competition by a system of universal co-operation. They inveighed against the Manchester creed, then in the flush of success, with an almost prophetic fury of conviction, as if it were the special Antichrist of the nineteenth century. Lassalle himself has not used harder words of it. Maurice said he dreaded above everything "that horrible catastrophe of a Manchester ascendancy, which I believe in my soul would be fatal to intellect, morality, and freedom"; and Kingsley declared that "of all narrow, conceited, hypocritical, anarchic, and atheistic schemes of the universe, the Cobden and Bright one was exactly the worst." They agreed entirely with the Socialists in condemning the reigning industrial system: it was founded on unrighteousness; its principles were not only un-Christian, but anti-Christian; and in spite of its apparent commercial victories, it would inevitably end in ruin and

disaster. Some of them had been in Paris and witnessed the Revolution of 1848, and had brought back with them two firm convictions,—the one, that a purely materialistic civilisation, like that of the July Monarchy, must sooner or later lead to a like fate; and the other, that the Socialist idea of co-operation contained the fertilising germ for developing a really enduring and Christian civilisation. Mr. Ludlow mentioned the matter to Maurice, and eventually a society was formed, with Maurice as president, for the purpose of promoting co-operation and education among the working classes.*

This age is called upon to behold a revival of that sympathy which in other days the Christian Church effectually expressed for the poor and the oppressed. Guilds and orders are rapidly rising in many Churches which have for their object the amelioration of the condition of the poor. Nor is it at all unusual to hear the opinion openly stated that Christianity alone will set right the disjointed and painful framework of the body politic.

It should not, however, be forgotten that Christianity is a faith, and although it supplies the very holiest and grandest motives, it cannot give a mode of action. The whole Apostolic College could not, were they on earth now, drive a steam engine with safety, nor, save under miraculous power, speak a word

* John Rae, "Christain Socialism in Germany," *Contemporary Review*, January, 1882.

of English. The most pious and devoted Christian, were he not a shoemaker, would make but a miserable pair of boots. To accomplish any purpose in life, he who essays to perform must know how to do the thing proposed, and he must use means suitable and sufficient for the end desired. So in this case, Christianity will, in truth, supply the motive power, but it must work through a system of political economy which will ensure, or at any rate allow, success. Acting under the anti-Christian system now in vogue, all the Churches of Christendom can be of little use. Supposing a revival of the community of goods, what would be the result? Simply the giving up by the wealthy of their property and their means of usefulness, to produce a community of paupers. The result desired is different from this. It is to make the poor rich through their own labours; it is to give the needy and helpless, the widow, and the orphan a legal right to subsistence based upon contract, and earned by the bygone common work of the community, including the recipients themselves, or their husbands and fathers. It is to utilise the glorious inheritance of desolate lands given to us, and to tap the fountain of nature's golden streams. It is to suit wise means to noble ends, to attain results of surpassing value and importance to mankind by the adaptation of natural laws and by the practice of honest toil.

To accomplish this is the aim of all reformers in

this path, but the means they take and the assistance they invoke are different, and in many cases antagonistic. It is evident that in the opinion of men who choose to think dispassionately upon this subject, Socialism cannot succeed, and that if it could it would be by no means the blessing which its leaders hope. The revolution is too violent, and not in the right direction. The best opinion is that of Dr. Woolsey :—

“But in such a thorough change of society as Socialism contemplates there is no room for compromise. The plan is to take away all the means of production,—all land, machinery, manufactories, all means of transport from private persons,—and transfer property in them to the State, to abolish all private trade credit, business relations, and the medium of circulation, without which these could not go on ; so that there is not a work in life, not an employment or pursuit that would not be put on a wholly new basis. What room for compromise is there here ? There never was a revolution in history since history told the story of the world so complete as this ! Nations have passed under the sway of conquerors, but an age or two brought back the rights of property and free management of their affairs to multitudes of the conquered. Nations have been deported to distant settlements, but multitudes thrived in the land of exile, or their descendants were restored to their property in their old home. Is it conceivable that with

all personal evils, which stand at the very door of such a change in view, multitudes would succumb and compromise rather than risk their lives for an essential good and a sacred right, as they regard it, of themselves and their posterity.”*

Dr. Woolsey shows the improbability, I had well-nigh said impossibility, of the ultimate victory of Socialism. In his book, so full of quiet and cogent argument, of profound research, of moderate assertion, of calm and deliberate enquiry, and of just deductions, the author leaves scarcely anything to be desired. I know of no other work upon this important question which in the same brief space and unpretending manner covers so wide a view, or draws such clear deductions.

Contrasting the calm and philosophical manner of this work with the abusive and contemptuous tone adopted by some of those, for instance, who took it upon themselves to criticise Mr. Henry George’s “Progress and Plenty,” one cannot but help regretting that the task of writing upon such questions does not fall more often to the lot of men like Mr. Theodore Woolsey. The aim of Socialism is summed up by Schaeffle:—“The alpha and omega of Socialism is the transmutation of private competing capital into rented collective capital.”

Many social reformers go one step further with

* Woolsey’s “Communism and Socialism,” p. 228. Scribner and Sons, 1883.

Socialists.* Not only do they admit much of the Socialist indictment against the present industrial system, but they agree with the Socialists in thinking that the only ultimate solution of the question will be found in the union of capital and labour in the same hands. It is in the method of bringing about this solution, and in the form of its realisation, that social reformers definitely part company with Socialists.

1. The only proper nationalisation of land is that which takes the so-called unearned increment for the service of all those who help to create it, and provides that the land shall be held by individuals or organisations for the benefit of all thus aiding in its utilisation.
2. The organisation of industrial and agricultural armies under State control must be limited, first, to cases in which there are unemployed who cannot obtain work in the labour market; and secondly, that the control of such productive bodies should not be restricted to the State, but extended to all local bodies, and that this control shall be only exercised in cases where private or public associations are unable to carry on the necessary undertakings.

The most elaborate work on State Socialism, but which borders on true co-operation, is Gronlund :—†

“State Socialism, as to be practised in the co-

* “Socialism in England,” p. 326, G. H. Orpen.

† Gronlund’s “Co-operative Commonwealth,” p. 105.

operative commonwealth, is in no sense to be communistic ;” “all workers are to be paid by results.” “Communists make all property common property, while our commonwealth will place only the *instruments of production*,—land, machinery, raw material, &c.,—under collective control *They* require every one to do his share of labour, and allow him to consume as he needs *Our* commonwealth leaves everybody at perfect liberty to work as much or as little as he pleases, or not at all; but makes his consumption exactly commensurate with his performances.”

The pages which follow this quotation from Mr. Gronlund’s able work are so clear and distinct in their proofs of the advantages of co-operative production, exchange, and distribution, that I might well reprint them in full. But no necessity is shown by the author for the interference of the State, unless it be demonstrated that voluntary associations cannot and will not undertake the duties and privileges of so great a task. To create and distribute wealth is no part of the duties of Government. It may, indeed, become necessary for the Government, representing the people, to intervene between any section of the community and want or enforced idleness. It may also be the duty of the central or local authority to aid co-operative production and distribution, properly so called, by giving land and advancing capital; but this is proper, because the welfare of the whole is paramount

to the interest of the individual, and because the State may be rightfully called on to protect its weakest members. To hand over to the State, that is, the Government for the time being, the whole production, exchange, and distribution of wealth would be to commit social and political suicide. The delays, the corruptions, the tyrannies, the irresponsibility, the favouritism, the bribery, the party feeling, the conservatism, and the selfishness attaching to such a system would be absolutely fatal to any hope of a favourable result, and such an experiment must, while the present necessities as to holding of property and as to human character and conduct exist, end in fatal disaster.

It would be impossible within a moderate scope to criticise or even to describe the various plans and suggestions made in different countries for the purpose of introducing a new and better state of social economy. Some of the Collectivist teachers, notably the Belgian, Colins, who, up to the time of his death in 1859, was a voluminous writer upon what he called Rational Socialism; François Huet, who lived ten years longer than his Belgian contemporary, and whose principal work, "*Le Règne Social du Christianisme*," has long been considered one of the most exalted efforts to portray a complete theory of society based on Christian Socialism; and Dr. Schaeffle, once Minister of Finance at Vienna, and a very eminent German economist, have given the most complete ideas of the Collectivist social state. The student

who desires to go deeply into the curious and interesting speculations of the different writers upon these various theories, will find a great mass of information concerning them in M. de Laveleye's "Socialism of To-day"; Dr. Woolsey's work on Socialism and Communism; Kauffman's two works on Socialism and on Utopias; H. M. Hyndman, "The Historical Basis of Socialism in England"; and the articles in the leading magazines during the last ten years of De Laveleye, Hyndman, and John Rae.

The extreme point of revolution is reached in Nihilism, which, as its name signifies, is the doctrine of destruction pure and simple.

It was the hatred of government, and all its forms of rule, that impelled Michael Bakunin to break with Karl Marx, and to preach the simple doctrine of destruction. Despair of any possibility of change in existing institutions must have been deeply rooted in the heart of Bakunin before he declared his war of extermination against property, against government, and against society. And deeply rooted must have been the same conviction in many hearts, for the history of Nihilism during the last twenty years records the life and death of a great army of martyrs. The aged and the young, ignorant and learned, the daughters of princes and the sons of peasants, the wealthy and the penniless, have, without distinction, given their efforts and their lives for the furtherance of this terrible project. The progress of human free-

dom and of human prosperity can never be aided by indiscriminate destruction. The death of the Nihilists themselves, patient, courageous, and faithful to their principles to the last, has accomplished far more towards the fulfilment of their hopes than they could have done had they been able to emulate the burning of Moscow, or to consign all the crowned heads of Europe to the tomb.

Although the means by which their object is to be attained differ, the ends proposed by both Communists and Socialists are practically identical. The Communists hold that all property should be possessed in common; the Socialists, that all property and the instruments of production should belong to the Government, as representing society at large. The aim of both undoubtedly is, amongst other things, to distribute wealth and its enjoyment equally amongst men, in proportion to their wants and merits, and destroy for ever the fatal inequalities of social life now existing. The scheme of the Land Nationalists is neither new nor adequate, while the minor plans as to sanitary improvements, the dwellings of the poor, and others of a like nature, although calculated to be eminently useful for particular purposes, have nothing to do with the fair and proper distribution of created wealth.

After the stirring times of 1848, the principles of revolution had become widely spread throughout Europe. These, for the most part, ultimately de-

veloped in plans of social, rather than political change. Up to the year 1863, the public utterances and writings of German agitators, especially Ferdinand Lassalle, had impressed the popular mind of Germany with socialistic ideas, which have yet to bear fruit of good or evil. Other nations also had their teachers, and some, especially Great Britain, were being educated by events. To the English Exhibition of 1862, a large deputation of French mechanics was sent from Paris. During the course of their welcome and their stay in London, many consultations were held between them and the English representative workmen, regarding the condition and prospects of the labouring classes. In 1863 Lassalle died, having been mortally wounded in a duel. Life is full of paradoxes. Lassalle carried with him everywhere the walking-stick which, in the Reign of Terror, had belonged to Robespierre. It had been given to Lassalle as a token of esteem and admiration, because he had publicly stated that he would never, under any provocation, fight a duel. The cause of the duel was, as usual, a woman. Within a few weeks of his death, a great public meeting was held at St. Martin's Hall, Long Acre, at which the International Association was publicly inaugurated. Karl Marx, who, having fled from Germany, had taken refuge in London, was elected a member of the Provisional General Council. Marx at once became the leading spirit in the new society. It was

he who drew up the inaugural address and the general statement of the objects of the association. These were first published in London in 1864, and afterwards confirmed by the Geneva Congress in 1866. The object of this International Association was to bring together men of different countries and of different races, in order to form a grand fraternity of people. Its purposes were not so much political as social and economic. It sought alteration in the condition of labourers by reducing the hours of toil, by increase of wages, and by the prevention of the introduction of foreign labour in times of strikes ; its principal object being to obtain a perfect understanding with all men in peaceful industrial development, in freedom, and human happiness all over the world. The original statement lamented the condition of the majority of the people, namely, workmen, when contrasted with the rapidly increasing wealth of the upper and middle classes of society ; and alluded pathetically to the deep distress and poverty which existed, side by side with great wealth and extravagance. It, however, spoke hopefully of legislation, such as the extension of the Factory Acts and the development of co-operation. To obtain great reforms, it counted on numerical power and fraternal feeling. Its ground of common and united action it expressed in these words, " That the International Association and all societies and individuals adhering to it will acknowledge truth, justice, and morality as the basis of their conduct

towards each other and towards all men, without regard to colour, creed, or nationality." The intention of its founders, as expressed in the same statement, was to strive for equal rights and duties of all men, on the ground that rights carry with them corresponding duties; and they declared their conviction that the emancipation of the industrial classes must be brought about by themselves; that the economic dependence of the labourer on the owners of the instruments of labour is the foundation of servitude, of social distress, and political subjection. They closed a remarkable programme with the statement that the economic emancipation of the labouring classes is the great object to which every political movement must become subservient, as a means to an end. For some years these principles were adhered to, but, gradually, fantastic and violent counsels prevailed, and, finally, within ten years from its first inauguration, the International was broken to pieces. The last Ecumenical Congress was held at the Hague, where Michael Bakunin, the Russian Nihilist, was instrumental in splitting this mighty organisation into two great factions. Since that period, although attempts have been made to replace the society in its former position of power, such attempts have not succeeded. But the leading ideas of the International cannot die. They may for a time slumber, but they will surely wake and, under different methods of procedure and on a more scientific and less exclusive

system, they will help to regenerate the social condition of the world. The ideas themselves are simple, the first being that the interests of the labouring classes in every country are identical; and the second, that the united strength and effort of the industrial masses would be sufficient to redeem them from the tyranny of capital.

The teachers of modern Socialism unhesitatingly preach force as the ultimate and necessary means for the establishment of their principles. Karl Marx, the leading spirit of the International, never concealed this fact. In his address to the Hague Congress, he said: "Solidarity. We shall attain the great end which we strive for if we establish this life-giving principle as the firm foundation for the workers of all countries. The revolution must be absolute, and we find a great example in the Commune of Paris, which fell because a great revolutionary movement did not break out in all the capitals of Europe, in Berlin, in Madrid, at the same time, a movement which should have made common cause with this powerful rising of the proletariat of Paris."

"What," says Mr. Hyndman,* "was the idea of the International and its founder? The simultaneous and concerted action of the workers of Europe and the world against the class which by international agreement took their labour for nothing, and by means of State management and international action and agree-

* "Historical Basis of Socialism in England," page 422.

ment, to turn all present machinery and future improvements to the advantage of mankind at large, all class distinctions being done away with, and all contributing their share of the slight manual labour that would then be needed. Force would be used to bring this about, but only in organised fashion, and in order to give the workers complete command of existing forms, not certainly to destroy those forms on the chance that something better would grow up out of Chaos come again," and in a foot-note is quoted from Marx this statement:—

"Force is the midwife of progress and delivers the old society pregnant with the new."

"Prior to 1870 the International reached the height of its power under Marx's guidance, and it seemed not impossible that his gigantic programme of a *general rising* of the European proletariat, at any rate in the great centres of population, might be brought about in his lifetime."*

If we consider the course of history, it will be seen that any hope of the redemption of the poor by the revolution of force or violence, is not only not probable, but scarcely possible.

The risings of the ignorant, the oppressed, and the servile multitudes end usually in defeat and suffering.

But, if when guided and assisted by the more educated, as in the French Revolution of 1789-1793, they are successful, there must arise some class or

* Hyndman, "Historical Basis of Socialism," p. 420.

individuals more fitted to govern than the rest, and eventually after great extremes of violence and peculiar thought, a reaction takes place and nearly all the work accomplished is undone.

There is a radical difference between political and social revolutions. Political changes can be effected by sword and steel, social change only by teaching, by argument, and by conviction. There is, moreover, in the nature and progress of purely social change a safeguard against violence always existing. It is found in the continual ascent of organised bodies to a higher scale. As men become owners of property they become defenders of order, and conservative both in principle and in practice. The Frith guilds of the Middle Ages, banded together for the defence of the common rights of their members, became gradually wealthy, conservative, and tyrannical. The craft guilds rose up and followed in the steps of their predecessors; trade unions, friendly societies, co-operative bodies, all obey the same law. Howell, in his "Conflicts of Capital and Labour," points this out in relation to the guilds. Hyndman in his turn accuses Howell of deserting the ranks of the proletariat advocates and going over to the capitalists, and points out that the leaders of the Chartists and trade unions have gravitated in the same direction, while the working men who, after the Chartist failure in 1848, emigrated, all lost their class feeling in the new opportunities afforded to them to accumulate wealth in the States or colonies.

It must be clearly understood that it is impossible for social conditions to be permanently changed by violence. He who aspires to lead the toilers of mankind to the better land must conduct them by the paths of peaceful argument, the logic of sound reasoning, the inculcation of just principles, and the practice, if need be, of self-sacrifice. The causes of the failure of the International were many. First and the greatest of all, was its departure from the peaceful councils of its founders, and the adoption of a menacing attitude accompanied by threats of violence. Its means were utterly insignificant and its finances altogether inadequate. No association can exist as an effective factor in human affairs without sufficient monetary means and considerable self-devotion among its members.

The scheme of the International was after all but an assertion of abstract principles. It afforded no machinery by which those principles could be brought into action, nor did it propose any definite line of action. Any plan which proposes to alter existing states of society must be at once self-supporting and contain within itself a vital power. It must, like the seed of a tree, contain within itself the power of reproduction. It must be a living organism, able to support its own existence and to propagate its own species; it must conform to the laws of nature and the necessities of existence, and having powers and capacities suitable to its nature, it must by their use

keep itself in being and grow in size and strength. No summary of the social economies and efforts of modern days would be complete without mention being made of the International. It stands by itself. In the somewhat severe and satirical words used of it by one of the English working-class writers, "it was begun in a dream and terminated in a fiasco." This is a mistake, for the principles of the International are not dead nor will they die. They will be revived under wiser guidance, and in peaceful form will assert their power. The wonderful rapidity with which for a time it conquered Europe is sufficient of itself to show that, if a feasible plan of peaceful social change, having for its object the amelioration of the condition of the masses were once promulgated, it would soon number its adherents not by thousands, but by millions.

Mr. Mills proposes a series of co-operative farms for the support of the pauper population of Great Britain. In the consideration of his subject Mr. Mills gives some highly interesting and instructive tables of expenditure for the poor, extending over a period of forty years. The figures are sufficiently striking, and give cause for grave consideration. In 1846 the expenditure upon the poor in the United Kingdom amounted to £7,414,626, while in 1884 the expenditure had risen to £17,572,390, or, roughly speaking, an increase of £10,150,000 a year.

In 1849 England and Wales expended for paupers

£5,792,963, while in 1885 there was expended £8,414,892. The amount of increase in the expenditure upon paupers by no means equals the amount of increase expended upon the poor generally. The total amount of poor-rates in 1846 was £7,573,074, while in 1884 the amount of poor-rates was £17,683,591, or again an increase of £10,110,000. These figures show with unmistakable force the terrible increase in the burdens which England is called upon to bear by reason of its impoverished population. The ratio of increase in the poor-rates levied, and expenditure upon the poor is far greater than the proportionate increase of population in the country; for, while in England and Wales the population in 1846 was in round numbers 17,000,000, in 1884 it was 27,000,000. Thus, while the expenditure upon the poor and the poor-rates had increased nearly 150 per cent., the population had increased less than 60 per cent. In viewing these figures we must not forget that the aggregate wealth of these countries had increased owing to the wonderful spread of colonisation, and the increase of manufactures and of commerce to an extent altogether beyond parallel with any past time, and that the same causes had tended to repress pauperism.

Thus considered, the figures above given afford serious ground for apprehension. In his desire to ascertain how far a pauper population can be made self-supporting, Mr. Mills, in August, 1886, went to

Holland, that he might personally inspect the colonies which have been there founded for a beggar and pauper population. The writer gives a most interesting account of the whole of these institutions, which date their commencement from the efforts made in 1818 at Frederiksoord by General Vanden Bosch. This institution was founded by voluntary effort, supported by private philanthropy, for the relief of the poor, and, after many and various changes, not only does the institution at Frederiksoord still exist, but others have been established at Veen Huizen and Ommerschaus. At Frederiksoord, on the 1st of January, 1886, there were 1,754 colonists, and at Veen Huizen and Ommerschaus there were 3,000.

Mr. Mills describes with evident delight the effect produced by the labour of mendicants and paupers, among whom were included also offenders against the laws whose offences were not serious. He describes the effect produced upon his own mind by the appearance of the green fields, of trim hedges and gorgeous flowers and ripening fruits, rendering these spots oases in the desert, all of which had been produced by the labours of these colonists. He bears testimony to the affection which these people display to their governors and their homes, and expresses his surprise at their evident disinclination to leave the colonies and go back to the outer world.

At Frederiksoord drunkenness, according to the

regulations, was to be punished with expulsion upon the third offence, and from this great assemblage of nearly 2,000 beggars and paupers not one had been expelled for drunkenness during ten years, while during the same period only four had been discharged for immorality. Yet the rewards for good conduct held out to these people are of a most trifling character. They receive no wages; they participate in no profits; they become owners of no property. Beyond food, clothing, and shelter, what they obtain is practically nothing,—an allowance not even sufficient to afford any species of enjoyment. They are set to work upon a sterile, sandy desert, without even the prospect of transmuting this waste into a fruitful territory for themselves. Had these colonists the spur to labour and integrity which the hope of reward and success supplies; had they the anticipation that the labour bestowed by them upon the barren sand would produce for themselves fair gardens and fruitful fields, how much greater might the results be than those which are now attained!

Mr. Mills was in no way deterred from the promulgation of his ideas by personal inspection of the pauper colonies of Holland. His proposal is that each workhouse shall have attached to it a comparatively large farm upon which the inmates shall expend their labour and so help to provide for their own support. In this way the writer hopes to achieve two great results: 1st, to lessen the burden now lying

upon the owners of land in every parish in the United Kingdom ; 2nd, to raise in the minds of the people themselves a desire to support themselves and a feeling of independence and self-respect.

No doubt something might be done in the direction indicated by Mr. Mills, although not, perhaps, in the way suggested by him. The principal and fatal objection, however, to any such plan as this, is the fact that it would always preserve a semi-pauperised class, and affix the stigma of inferiority and disgrace to those comprised within it. It would perpetuate workhouses, which ought to be abolished.

All persons able and willing to labour should have, not pauper estates to work upon, but the property of free men ; and those who by reason of sickness or extreme age, or youth, were unable to labour, should receive as right a sufficiency from funds provided for the purpose, arising from Communal land and property, to maintain them in health and comfort. Those who, being able to work, will not work, but ask the public to support them, should be compelled so to do.

The book now under consideration is, in common with other portions of recent literature, valuable as an indication of the growing spirit of enquiry and of hopefulness in our public men. It is a sign of the times, and the constant stream of literature having the same tendency which has issued from the press during the last few years is an indication of public feeling full of hope and promise.

Of the same nature are books such as "Co-operation in Farming," "Co-operation in Land Tillage," "Labour, Land, and Law," and other similar works still better known ; articles and treatises by Sedley Taylor, John Rae, Pare, and De Laveleye, which are too widely read to need quotation.

The Australasian colonies were founded by the establishment of a penal settlement at Port Jackson. This plan arose from a suggestion of Lord Viscount Sydney, then principal Secretary of State for the Colonies. The objects proposed by the British Government, expressed by the members of both Houses of Legislature, and by the leading public men, and the press of that day, were three : 1st, to rid the United Kingdom of the crowds of criminals accumulating in her jails ; 2nd, to find a place suitable at once for the safe custody and punishment of these criminals, and to afford them a place for repentance and reformation ; and 3rd, to form a British colony, peopled both by reforming criminals and by those families of free emigrants who, induced by the evident certainty of future wealth, might choose to settle in the newly discovered Austral-Asia.

"These the reader will doubtless acknowledge were objects altogether worthy of the enlightened legislature of a great nation ; in fact, it was the most interesting and noblest experiment that had ever been made on the moral capabilities of man ; and if there is joy in heaven among the angels of God over every

sinner that repenteth, we may well conceive the deep interest which superior intelligences would naturally feel at the establishment of a penal colony on the coast of New Holland,—all insignificant and contemptible as it might appear to the majority of mankind,—and the loud burst of joy with which they would have hailed the tidings of its ultimate success. I am well aware that, now that the colony of New South Wales has not only ceased to be a penal settlement, but is likely, at no distant period, to take a high place among nations of the earth as the head of a great political confederation of sovereign and independent States, there are not a few of its inhabitants who earnestly and patriotically desire that its original penal character should henceforth be for ever forgotten.

“I cannot, however, participate in these views and feelings. The original penal character of that colony is a great fact which can never be ignored by the historian, and as, during the first fifty years of its existence in that capacity, not fewer than 50,000 British criminals were landed on its shores, it is evident and undeniable that the progressive landing of these criminals on the Australian coast were parts of a series of events that were destined in the counsels of infinite wisdom to issue in the occupation and settlement, the civilisation and Christianisation of a large portion of the Southern hemisphere.

“In one word, the case which this remarkable fact

undoubtedly exhibits is one of the most striking illustrations which the history of mankind affords of this profound Scriptural truth, that God's thoughts are not as our thoughts, neither His ways as our ways ; for as the heavens are higher than the earth, so are His thoughts higher than our thoughts, and His ways higher than our ways.'''*

A fleet of eleven sail, under the command of Captain Arthur Phillip, R.N., set forth from Portsmouth on the 13th May, 1787, and arrived at Botany Bay, January, 1788, after a voyage of eight months and a week. See, now, in a hundred years, what has arisen from that small penal settlement in the island continent. Nearly 4,000,000 of people, free, intelligent, wealthy, self-governing ; an immense commerce, universities for learning ; religion, athletic sports, poets, statesmen, soldiers ; all other features and evidences of civilisation, but no poor-houses and comparatively no want.

A hundred years ago the first ships landed their human outcast freight upon the shores of Port Jackson. The seed was sown in hope by wise statesmen. Already has an abundant harvest been reaped. A trade and commerce, which far exceed that of the whole empire at the close of the last century, has helped to enrich England and to give employment to her people. More precious still, the golden chain of love encircles those

* J. D. Lang, D.D., "History of New South Wales," 3rd edition, 1852, vol. i., p. 11.

far-off lands and binds them to the little storm-beaten islands in the Western Seas. When will history forget that day when Europe and the world saw the young cubs of the British lion crossing ten thousand miles of sea to take their place upon the sands of Egypt beneath the shadows of the Pyramids, beside the Guards to do battle for the old flag. Truly, a precious harvest this ! So the deeds of great statesmen prosper. The colony, whose contingent electrified Europe by revealing a new power in future wars hitherto unthought of ; the colony which, with unselfish patriotism and dauntless courage, sent its sons unasked to bear their part in England's wars, was the one colony in the history of nations founded in order to give a chance to criminals of repentance and reformation.

If, now, the Government would aid, not in deporting criminals for punishment, but in emigrating honest but idle labourers to the great colonies ; if they would place them there, not in bondage to work out in years of toil the punishment of sin, but as free men upon portions of God's earth secured to them as their own ; if they would lend to associated bodies that capital which, wisely administered, would enable them, upon the land provided for their use, readily to become not only self-supporting but producers of wealth, then would such Governments prove themselves to be equal to those who, a century ago, earned for themselves the lofty praises of the historian of New South Wales.

The money advanced both for passage-money and for necessary capital to be expended upon the land could be secured upon the property so improved.

The revenues at home could be relieved of an enormous and increasing burden. The revenues of the colonies to which the emigrants were sent would be increased by the taxation levied from every incoming colonist while the wealth not only of the colony but of the empire would increase in a manner hitherto unknown.

Irish Emigration.—Side by side with the two great experiments of modern days, the establishment of the penal colonies of Australasia and the foundation of the pauper colonies of Holland, another movement has taken place, equal in interest and in its surprising results, which has hitherto been unnoticed. The only paragraph that I remember concerning this certainly striking illustration of the inherent powers of improvement possessed by the most helpless and impoverished is found in Mr. Mulhall's recent pamphlet, "Fifty Years of National Progress." In speaking of the Irish statistics between 1837 and 1887, the years of Jubilee, the figures given by the statistician are, properly speaking, wonderful. All persons have heard of the famine which devastated Ireland after the failure of the potato crop in 1846, and the subsequent years when the black shadow of the cholera lent its assistance to famine, and killed or drove out from

Ireland so many millions of her people. It is a matter of daily history also that the people of Ireland have, to a considerable extent, been evicted from their homes. The figures given by Mr. Mulhall are as follows:—

Deaths from famine in Ireland 1,225,000
Persons evicted .	3,668,000
Number of emigrants 4,186,000

In a short note Mr. Mulhall states that the number of persons evicted equals 75 per cent. of the population of that unhappy country; and he adds, “No country either in Europe or elsewhere has suffered such wholesale extermination.” It is difficult for the mind to grasp the full dimensions of the suffering here indicated. A million and a quarter of people dying of famine; nearly four millions of people thrust out upon the roadside or upon the shore, perhaps to die; more than four millions driven out from the country of their birth. Men wonder and express astonishment at the agrarian outrages in Ireland. At whose door lies the dreadful death of this million and a quarter of God’s creatures? Whose forces, military and civil, have driven out these millions of people from the land of their birth? Of the 4,186,000 of people who emigrated from Ireland, nearly all were penniless and ignorant. Well may Mr. Mulhall say that no country in Europe has ever witnessed such wholesale extermination. All through

the south and west of Ireland there was but one scene, and that was of desolation.

“The air was full of farewells to the dying,
And mournings for the dead,
The heart of Rachel, for her children crying,
Would not be comforted.”

The path of these great armies, as they fled from Ireland to find new homes, was marked, like the path of a defeated host, by innumerable graves. Hundreds of thousands of these flying millions, weakened by hunger and the plague, fell on the march. The waves of the Atlantic cover some, the graveyards of Canada and the States hold multitudes. What became of the survivors of this great exodus? They are found scattered throughout the United States and the British colonies. So wonderful are the resources of the human mind and frame, so rich the bounties that nature will bestow when asked, that this famished multitude is to-day represented by a host of well-to-do and prosperous people. Since 1851, Mr. Mulhall tells us, they have sent back £32,000,000 to their friends in Ireland, and their possessions in the United States and British colonies are estimated in value at £655,000,000.

In the face of these three great experiments, two of them made advisedly and one the unforeseen result of terrible suffering, can it be urged that there is no way to deal with the unemployed now in the United Kingdom? Can it be thought, if we will but bring our minds to bear upon the subject, that so

long as there are lands to occupy and capital to employ, there need be an idle man or woman in the wide limits of the British Empire? I allude elsewhere to the Mormons in Utah.

Reformers who interest themselves in the condition of the labouring classes have been found in all ranks and in all callings. Not only has poetry lent its entrancing voice, and the writings of philosophy given their weighty arguments, the pen of fiction has also been enlisted in this sacred cause. Amid all the vast array of writers, thinkers, and reformers, not one seems to be without some good points either in theory or argument; but not one has yet been able to propound a perfect system, nor have all, taken together, been successful.

Errors of omission and commission are found in all. By the experience of all time, from the history of all experiments, from the fruits of all teachings, we are able to draw nearer and nearer to the truth, to avail ourselves of the useful, the true, the just, and the wise principles which are scattered so widely among the writings and experiments of all ages. The advantages we possess have never been enjoyed by others. To us belongs the great privilege of being able to go back upon the old paths and foundation principles, of using for our own instruction the hard-won experience of many ages and peoples. Thus we may cull from every school and every theory those parts which in themselves possess the rudiments of truth, and which

have proved in practice to be correct ; while we can discard those erroneous ideas which, in different times and localities, have retarded or defeated the progress of human happiness. We do not hold with the great masters of Greek philosophy that trade and labour are degrading ; nor need we believe with the exponents of the mercantile system that all wealth is comprised in the precious metals ; nor like Law, carry to ruinous extremes by disastrous speculations the system of public credit. It is not necessary for us to hold that, as all wealth proceeds from one single source,—that is, nature,—agriculturists alone are producers, and that all other workers are unprofitable ; nor are we obliged to affirm the terrible doctrine upon which the orthodox political economy is built, namely, that selfishness is the only true and proper foundation of that science. I trust that we shall never think with Malthus that it is criminal and against the laws of God and nature to increase and multiply ; nor with the Communists, aim to dissolve the family relations or abolish private property ; nor with the Land Nationalists, to destroy all personal and exclusive ownership in land ; nor with the Nihilists, advocate destruction. Yet even Malthus is wise in his admonitions as to imprudent marriage and in his denunciations of the Poor Law ; while Michael Bakunin lived and died an ardent disciple of freedom.

The hopes which were felt by the framers of these theories, the founders of these institutions, were,

indeed, from the first doomed to disappointment. Not one, nor all together, could avail to remedy the grievous wrongs and sufferings which afflicted the great majority in numbers of every civilised nation. Yet we must not, even in appearance, condemn the efforts so honestly made in the interests of justice and of mankind.

The men who made these efforts were inspired by no selfish ambition. They beheld with sorrow the miseries of their fellow-men. They saw that the selfishness of human nature sacrificed continuously the welfare of others to its own sense of greed. They believed that the earth contained room for all, and that she would give her harvests freely to all who would till the soil and tend the flocks and herds. With Tully, they believed "that tillage and pasturage were the breasts of the State." The butts and targets for every shaft of ridicule and calumny, the theme of sarcasm and abuse, the objects of derisive pity, or the victims of malignant and unsparing persecution; crushed by misfortune, overtaken by penury and ruin, their very failures are more glorious than the successes and triumphs of meaner and more selfish men. Their virtues are unsung, their name almost forgotten, yet many of them will claim a place in the ranks of the immortal army, "the spirits of just men made perfect," when multitudes of the great, the successful, and the opulent will reap the due rewards of the "deeds done in the flesh." Of such did the great

Athenian speak when finishing his plans for his ideal "republic," he told to Glaucon the story of Er.

"And thus, Glaucon, the tale has been saved and has not perished, and will save us if we are obedient to the word spoken; and we shall pass safely over the river of forgetfulness, and our soul will not be defiled. Wherefore my counsel is that we hold fast to the heavenly way and follow after justice and virtue always, considering that the soul is immortal and able to endure every sort of good and every sort of evil. Thus shall we live dear to one another and to the gods, both while remaining here and when, like conquerors in the games who go round to gather gifts, we receive our rewards. And it shall be well with us both in this life and in the pilgrimage of a thousand years which we have been reciting."

Of some of their number may be spoken those glorious words taken from the Book of Revelation, and used in the grand but solemn burial service of the English Church.

"Write, Blessed are the dead that die in the Lord, yea saith the Spirit from henceforth, for they cease from their labours, and their works do follow them."

They were discoverers launching out upon an unknown sea. They discovered not the land they searched for. But their records of trial, of danger, and of failure are of inestimable value to those who follow in the same attempt. They teach us where our haven is not, they warn us of the tides and currents

of life's ocean, and the wants and necessities for the voyage. To them mankind will yet cheerfully acknowledge a debt of gratitude never to be forgotten.

In closing the examination which we have now made of the past history of political economy, and of the proposals and efforts which economists and their opponents have, from time to time, placed before the world, it is necessary to remember the truth contained in the old adage, "Time and tide wait for no man." Human society and human history are on the march. Nothing but the archangel's trump will stop the onward tread of the nations. We cannot attain any final position. That spot which is the outpost of civilisation to-day will in a few years become the busy mart of commerce and the home of a great community. Those principles and practices which to-day are in advance of any past human thought or action, will to-morrow be left behind. History is not always in flood; the ebb also comes. It is not in a perpetual state of advancement, but in a perpetual state of change, in which advancement and improvement gradually occur. Modern days have seen this truth exemplified in a thousand different ways, and we must be prepared for this progress of humanity. Even were things in England and America to remain as they now are, the dangers which menace civilisation are great and pressing. But it is certain that population will rapidly increase. In England, spite of death and emigration, the population increases nearly

half a million a year. What is to become of this invading army ? 400,000 souls a year invade the British shores and territory, with mouths to be fed, with bodies to be clothed and sheltered. Nearly the whole of this host, well nigh as numerous as that which Napoleon led to Russia, are born into the world heirs to nothing but poverty and the power to labour. Mr. Malthus did, indeed, propose a law, which, like the law issued by the Pharaoh who knew not Joseph against the Hebrews, would have stopped the incoming multitudes. But that law is not upon the statute-book, and it is as certain that the English Government will have to face the difficulty of increasing millions of the poor and labouring classes as it is that the sun will rise to-morrow. In addition to this difficulty of increasing population, will shortly arise the difficulty of decreasing employment.

Political economy, with its dreadful competition, will lead capitalists to other countries in search of labour, and while the population of England increases, the employment of its industrial classes will diminish. To intensify these two sources of anxiety there will be the increase of intelligence and education among the poor, the growth of socialistic and revolutionary thought, and still more widely the inextinguishable and intolerable sense of injustice which must arise in the hearts of the masses when they behold the glaring inequalities of wealth and poverty. It needs no socialistic teaching, no red cap of Liberty, to

convince free men that they are wronged when they know that they possess not a foot of soil in their native land, and that no portion of the wealth which they wring from nature becomes their property. Patient and law-abiding as are Englishmen, to such dreadful suffering and a deep sense of injustice there must come a period. Conscious of power and of the justice of their claims, is it not likely that they will ultimately exercise that power, and is it not certain that when driven by the extremity of suffering to rise, their rising will be accompanied by a stern determination to punish those whom they consider to be their oppressors? The signs of the times are significant. The state of Ireland, the state of Scotland, and of Wales; the terrible condition of the unemployed in London and other great cities; the tumultuous confusion in all schools of politicians, confusion both of reason and of action; the appalling fact that in the face of the great increase of national wealth the mass of the English people have no share in it, and great numbers are upon the verge of starvation; all tend to prove that England is drifting to a position equally shameful and perilous. All these signs and evidences of coming danger arise from the one source, the prevalence of the fatal political or social economy under which the production and distribution of wealth at present take place.

Things cannot go on much longer as they now go. How long the period may be before some great dis-

aster overtakes the commonwealth, before the ship of State drifts on to the rocks of revolution no man can pretend to say. But the assertion may safely be made that England is surely and swiftly passing, again to quote Mr. Hyndman, "through the dawn of a revolutionary epoch." And if disaster do occur, if the millions of Englishmen rise and claim England as their own, if the millions of toilers assert their right to the wealth they have helped to produce from nature, the fault will surely be theirs upon whom the punishment will fall. It is the duty of the educated, of the teachers, of the powerful, of the high-born and of the wealthy, to take those steps and enact those laws, both in politics and in political or social economy, which will pacify and appease the people in a manner consistent at once with justice and with mercy. Should the leaders of the nation prove either unfaithful to their trust, or incompetent to deal with the great events which are imminent, then upon them and upon their class will a storm burst as fierce and terrible as any recorded in history.





CHAPTER IX.

Necessity for a constructive science of economy, with definite objects—Purposes of such a science—The liquor traffic—Its evils and remedy—Relief for poverty and employment of industry must be permanent—Present antagonism between individualistic and socialistic systems—Antagonism between labour and capital—Necessity for combination—Association or co-operation the only solvent—Disraeli's "Sybil"—Necessity for economic changes



BEFORE entering upon the consideration of a new system of social economy,—a system which shall be at once constructive and practicable,—let us for a moment look back upon the course that we have travelled, and mark the lessons which that course teaches. Having commenced with the consideration of the present state of civilised communities, and of the social economy which obtains by common consent and practice, we recognised from the very first stage the absolute necessity existing for some complete change.

Tracing the science of wealth so far as the practice of that science is recorded, we beheld the formation of the three progressive stages of thought comprised

in the mercantile, the physiocratic, and orthodox or modern systems, and glanced briefly at the principles and characteristics of each. Summarising the contradictions, the errors, and the vices of the existing system, we saw how surely universal disasters must occur if the civilised world travelled much farther upon its present economic course.

The efforts which have been made and the plans projected for the improvement of the condition of men, in this direction, proved that the loftiest intentions and most beneficent hopes were doomed to failure, unless founded upon and regulated by a true and natural science, not of social organisation, but of wealth.

The inadequacy of all plans hitherto proposed to accomplish the noble purpose which was the end desired,—the material comfort and happiness of men,—was apparent. Having thus cleared away the ruins and *débris*, which all writers and thinkers have hitherto permitted to obstruct their view, and encumber the ground on which they desired to build, we may attempt to construct from the materials provided by the labours, the speculation, and the sufferings of others, a science whose laws shall be plain and easily understood, and whose operations may bless mankind with good unspeakable.

Unfettered by any system, unpledged to any theory, let us attempt to frame a science of wealth which, having regard to first principles, shall render

the earth and the laws of nature subservient to the wants of humanity, and so order that subservience as to minister with unfailing certainty and plentiful abundance to the necessities of all.

What, then, are the first principles from which in this attempt we must start?

All humanitarian sciences have a definite purpose. The object, and the sole worthy object, of such a science is to provide adequately for the supply of all things necessary to each man's material happiness, by labour from the exhaustless field of nature. Exceptions must always exist; accident, shipwreck, blighted crops, unfruitful seasons, and other intervening calamities will, no doubt from time to time, break the general rule. But the rule must be that there shall be proper employment for all, and that they who aid in producing wealth, shall share that wealth in an approximately just proportion to the value which their labour or their assistance has given in producing or realising it.

Here, therefore, I shall attempt to set out a system of social economy equal to the demands made upon it. I shall define the meanings of some of the terms, as used by me. I shall set forth the principles of the proposed system and the machinery by which they are to be brought into use in daily life, and contrast and compare them with that which now exists.

The necessity for a constructive science is undoubted. Taking our own people as presenting a type of the

common wants of humanity, we cannot but see that it is indispensable for the present and for the future To open an avenue for escape from suffering and penury, to give hope to the despairing, and afford to all the possibility of independence and an honest life, the promulgation of such a science and such a system is the only hope This, and this only, will enable us—

“ To scatter plenty o’er a smiling land ”

It may be that an enquiry into the causes which have retarded the growth of knowledge upon this subject, will show that this must naturally be the last of all human laws or sciences to be fully discovered. We may suppose a community, every member of which is actuated by a truly Christian and philanthropic spirit, but carrying on the economic business of its life upon the principles laid down by the orthodox system, and by no possibility of reasoning can we see a way to avoid the unfair distribution which now obtains. The surplus and accumulated wealth of that community must, by the operation of those laws, gravitate to the hand of the capitalist and the employer, the middleman and the speculator, with ever-increasing speed. Charity might fill the land with noble edifices, as homes for the poor and needy. Christian beneficence might search out the dwellings of the afflicted, the unemployed, and the sick, and solace their inmates with the alms of mercy. Thus actual want would be avoided and distress

relieved, but at what a cost? A great portion of this community would be degraded, the independence of manhood would be gone, the dependence of pauperism would remain. We need not imagine such a state of society, for within modified limits we behold it in the history of England during the last three centuries. A contented population, dwelling in peace upon its wide-spread lands, growing its own food, rearing its own flocks and herds, engaged in modest manufactures for its own wants and consumption, its families and communities trained in their own homes in simple Christian faith and obedience to parents, reared to manhood and womanhood in the sun and shade, fields and orchards of their own country, would be happier, wiser, and more prosperous than the great multitudes which, gathered within the factories and streets and slums of crowded cities, are dependent upon the fluctuations of trade, upon the speculations of adventurers, and upon the shifting tides and currents of an unstable commerce for its daily bread.

No State, no city, dependent upon commerce only for its prosperity, can ever hope to be permanently great. From the days of Tyre and Sidon to the days of the free cities, of Venice and of Genoa, illustrations abound. But a country with broad and fertile territories, great numbers of whose people dwell upon the soil and from it draw forth the means of their own subsistence,—where work can be found for all, to ensure a comfortable livelihood during youth and

mature age, and afterwards a peaceful competence for the solace of declining years,—such a country must perforce be great; such a people without doubt be happy.

In this, as in all other matters, specific objects must be aimed at, and a certain procedure adopted. Foremost amongst these objects will be the two following:

1. To give the right and opportunity to every living being capable of and willing to work, of earning for himself or herself that food, shelter, and clothing which is the right of every such person, and necessary to his or her existence.

2. To ensure to each labourer, of whatever rank or condition, beyond wages sufficient to supply the requisites of life in that condition, that proportion of the annual profit and increased value which have arisen in or accrued to the property, whether land, manufacture, or other description belonging to the community by virtue of his labour during any period of time.

We must, therefore, investigate and proclaim the laws which govern the production of all commodities necessary for human existence and comfort, and discover laws by which these productions may be distributed fairly and justly in accordance with merit, talent, and industry among all who aid in producing them.

Not the chrematistic, but the economic science is the true and proper subject of teaching. Manufacture

and trade must not be depreciated, but modern economy places them so prominently in the van as practically to hide and blot out agriculture and personal settlement of the lands of a country from view. This is absolutely erroneous. For even when great wealth is made by commerce and manufacture, the principal subjects which yet remain to be discussed with a view to accomplish a beneficial change in the social condition of men are :—

1. The monopoly of large areas or portions of land and other forces of nature.
2. The employment and remuneration of labour.
3. The distribution of surplus and accumulated wealth.

I do not here include one great and important question, upon the treatment of which undoubtedly depends the happiness of vast numbers of our population. I mean the liquor traffic. In my opinion the whole present system is wrong. The sale of intoxicating liquors should not be made a method of raising revenue, nor should it be used as a means of making a profit. No bars for the sale of liquor should be allowed; all houses of accommodation should be owned and managed by the municipal, as in Gothenburg, or the associated bodies, and no liquor should be sold to be drunk upon the premises, save to boarders in the house or to guests at and with their meals. The managers should be responsible to the municipal or associated body. I believe that these

changes, insignificant as they may at first appear, would do away with three-quarters of that drunkenness which fills our homes with poverty and our courts with crime. I do not dilate more upon this subject, important as it is, because it hardly falls within the scope or object of my present task.

It will, however, be at once seen that if inns and hotels were made in reality houses of accommodation and not dram-shops ; if the number were lessened, and if the managers were not driven by the demand of the tax-gatherer and by the hope of gain to sell liquor in as great quantities and to as many customers as possible,—but on the contrary were liable to dismissal for any case or cases of *drunkenness* or disorder permitted by them,—while the many and varied temptations of the public-house bar were removed, a great and beneficial change would soon occur.

In any settlement made under the principles in this volume advocated, this among other social reforms could easily be tried, for all such houses could belong to the association.

In the consideration of these important questions, it is necessary to go back to the primary principles of life. The love of home, with all its holy affections and the necessities for existence, come naturally before the desire for wealth. The first and normal purpose in the occupation and cultivation of land is to grow food, to provide shelter, and obtain the materials from which clothing can be made.

Upon this natural foundation a complete and happy structure may be reared. First let there be the supply of all home wants, so far as soil cultivation and manufacture will supply them ; then as large and wide a production of the most valuable and useful commodities as possible for commerce, so that the surplus may be exchanged for the manufactures and productions of other lands and races, with equal benefit to all.

All theories, except perhaps those upon purely abstract or metaphysical truth, are comparatively useless unless reduced to practice. And practice under ordinarily favourable circumstances is the only proper and substantial test of the truth of the theory. The theories, and their name is legion, which have been advanced as the solution of the vexed question so often referred to, have in most instances been so inadequate upon the face of them, or so inapplicable, that they have fallen still-born.

Some have apparently demanded so much violence that moderate men have recoiled from their adoption, fearing that the remedy might be worse than the disease. The part taken during the short and tumultuous reign of the Commune in Paris, by some of the supporters of the International, effectively alienated from that body the sympathy and support of the great bulk of the English working classes.

Some have been only directed to partial alleviation of the sufferings of the labourers, and when faithfully persevered in have done much in various localities and

many ways to accomplish the ends proposed ; but even these, taken altogether, have utterly failed to remove the stupendous mass of misery and of degradation created and continued by the operation of our economic laws. Others again have been of but temporary force and effect. The Parliamentary grant for the employment of the poor in Ireland was of such a character, and these often involve subsequent unforeseen disasters. Even that vast stream of wealth which year by year is levied from the tax-payers, or given as the spontaneous contributions of the people for charitable relief, amounting to over £20,000,000 per year, is after all but a temporary expedient, and an expedient which, in spite of all the generosity that provides it, only serves to perpetuate the sufferings of the masses. Nothing which is temporary can be useful, save to provide for the exigence of the occasion, and these temporary expedients, seeing that they leave the condition of the working classes as bad and helpless as they found them, only tend to crush out all feeling of independence from the spirits of the recipients, and all feeling of hope from their hearts. To deal successfully with this question, to abolish the want and wretchedness which, like a hideous nightmare, haunt the lives of such great multitudes, we must give not temporary relief, but certain and continuous employment. They must be enabled to become self-helpful, not to be the recipients of charity, but to be their own supporters, and the bread-winners for their wives and children.

In lieu of enforced idleness and shame, they must be given employment and self-respect. Instead of knowing themselves to be but a burden, a very millstone round the neck of their countrymen and fellow-labourers, they must be helped themselves to become producers, winning from the earth those treasures which have in times past made their country wealthy and powerful. Above all, they must be shown that they, and their children after them, shall in the days to come, under better auspices and juster scientific laws, be entitled to receive a fair distribution of that wealth which they are helping to produce.

¹⁸⁴⁹ And while they are thus learning, the way must be opened and prepared. If with the poor materials provided, and under such terrible disadvantages, so wonderful a success was achieved in Utah and Australasia, and by the Irish emigrants, what may we not expect from the formation of free and industrious communities, wisely organised and properly supported, settled upon fertile lands, with all the appliances of science, with the advantages of co-operation and combination of labour, and with that wide diffusion of prosperity which must arise from the partnership of Land, Labour, and Capital, of the producer, the capitalist, and the consumer.

Thus, the one indispensable requisite to final success is that the vast bodies of people who are to be relieved must be relieved permanently.

We see the materials for a great building lying

around us in profusion. It is for us to fit those materials in the places proper to them in the complete structure, and to raise an edifice in which the hungry may find food, the naked clothing, the destitute comfort, the despairing hope, and from which there shall be banished a portion at any rate of the suffering and the sorrow which now afflict humanity. To those who with impartial judgment have examined the selfish theory and its effects, the results have seemed altogether evil. Not only to economists like Sismondi, bursting from the trammels of prejudice and education, not only from the Socialistic and Radical reformers like Lassalle, Karl Marx, and Hyndman, but to the clear minds and brave hearts of philosophers such as Ruskin and Carlyle, and to the noble spirits of such men as Girdlestone and Kingsley, Maurice and Hughes and Farrar; and to statesmen like Disraeli and Gladstone has this gospel of greed and selfishness become abhorrent. Scarcely more terrible denunciations are found in the prophetic pages of Scripture against covetousness than are found in the recorded utterances of the men whose names I have mentioned. It is difficult to find words too strong or denunciations too deep for this system, which is founded professedly upon the principle that robs the widow and the orphan, which exalts wickedness and unrighteousness, and frames iniquity in a law.

The poisonous effects of the virus injected into the life-blood of our social existence are unhappily visible

in all directions. Many and brave have been the conflicts waged against it by individuals and by associations, and upon some points by the conscience of the nation. Although in some instances its victorious career has been checked, so complete has become its general ascendancy, that it has well-nigh paralysed the right feelings and generous impulses of our people, and has brought England and the English Constitution to the verge of ruin.

Before attempting to lay down categorically the lines of a new economic system, one or two subjects for consideration force themselves upon the mind. Two economic systems have in modern life become possible. One as contained in the socialistic theories which regard the community as a complete social body, and which seek to introduce a new organisation of society, a nationalisation of property, and a combined co-operation of labour for the common good and for the common benefit; the other, the "Individual" or "selfish system," which holds that all powers and industries should be left to take their own course, and that competition will produce the greatest amount of success and happiness. Although the prevailing theory is the individual and selfish, yet many of the great teachers of modern days, such as John Stuart Mill, Professor Fawcett, Professor Hearn, de Laveleye, Professor Cairns, and others, have shown decided sympathies with and leanings towards some of those

principles which, if not absolutely socialistic, tend strongly in that direction.

Socialism has, through the actions of many of its leaders and supporters, been and still is looked upon with apprehension. It has been feared as leading to anarchy, bloodshed, and revolution ; and it is only of late years that its plans are beginning to be weighed with comparative impartiality and discussed with calmness. These two principles are now considered by thinkers and writers as absolutely and entirely antagonistic. But in truth this is not altogether the case. Each individual forms part of a social organisation, every social organisation is made up of individuals. It is as impossible to separate the one from the other without injury or destruction, as it would be to separate a member from the human frame, or a building from the individual stones or bricks which compose it. The objections made against each theory standing separately are plain and sensible. It is urged against Socialism, not as defined by Professor Held, but as generally understood, that it destroys all desire of advancement, that it abolishes social rewards and punishments, that it gives no hope to the industrious, excites no fear in the lawless and lazy ; that it destroys that keen sense of emulation and competition which urges men towards success, and that the sense of individuality becomes merged in the general existence of the society. Against the individual or selfish theory it is contended, on the other

hand, that in the greed of power and of wealth all feelings of justice, humanity, and mercy become sacrificed. That free exchange, the survival of the fittest, a fair field and no favour, each for himself and God for us all, or rather the Devil take the hindmost, are the only maxims which regulate the conduct of its disciples, and that these maxims are dangerous and bad, because they invariably lead to a state of war between labour and capital, the weak and the strong, in which the battle goes always in favour of the rich and powerful. And the universal operation of this rule is pointed out; namely, that however vast may be the wealth created by any community, such wealth goes to the owners of land and capital, or middlemen and speculators, while labour receives only the means of mere subsistence. Both arguments, both parties, are right; one sees the obverse of the shield, the other the reverse. The true philosophy, the only true and complete logic, by which the great social problem can be solved, is by the union and welding of these two principles into one. In practice, this is continually accomplished, so far as the production of wealth is concerned. All the factors of production, all portions of society, the mind that plans, the pen that writes, the tongue that commands, the hands that execute, all combine to create wealth. The fault lies in this, that when the wealth has so been produced by all, it is monopolised by a small minority. And yet by a proper union of the factors of production, under simple

laws and conditions easily framed and understood, the process might be made completely just, and wealth produced by all might be fairly distributed to all. If we examine critically the conditions under which wealth is amassed, we shall see that there are no true foundations for the statement that either of these rival theories can exist successfully independently of, or in antagonism to, the other.

How are the majority of fortunes acquired? Is it by the personal labour, mental or bodily, of the merchants, the land speculators, the manufacturers, the master-tradesmen, the contractors, the ship-owners, or any other employers of labour or investors of money in any way or sphere? Not at all. The investor does nothing but entrust his money to the custody of others; the employer has but one brain and one pair of hands. For the applied science which gives him machinery he is indebted to others. For the daily working of his business, the fulfilling of his contracts, the performance of duties which he has undertaken to perform, he is altogether dependent upon the human labour which assists him.

The individual can in no case possible for us to imagine be supposed to create wealth, as we understand it, by himself. Nor in practice are the numerous competencies and immense fortunes enjoyed under this false theory ever really so produced. All that an individual can win from nature by the unaided effort of his own brain and hands is but the rude subsistence

of the savage The great landowners, the merchant princes, the wealthy manufacturers, the railway and Bonanza kings, the mighty squatters, and indeed all the opulent classes, have obtained their wealth by co-operation and combination of labour to an extent not possible to define. It is idle, therefore, for any men to assert that they individually have built up their own fortunes. Some of these fortunes have been handed down from ancestors; some of them have been obtained by fraud; some by lucky speculations; some by untiring toil of many servants; some by the silent operations of nature, the increase of flocks and herds and natural productions; some by the wonderful increase in land values. It is safe to say that no living man among the aristocracy of wealth has personally earned or procured from nature for himself during his lifetime more than the amount of wealth which would form a just reward or wage for the amount of toil and skill, mental and bodily, which he has bestowed upon the business of life. All the remainder, whether given to him from past ages, or obtained by him during his own life, is the result of co-operation and combination of labour; is the result of social organisation, of social wants and social production, or of natural bounty.

Socialism and Individualism, the Society and the Man, must be made one in interest. Instead of regarding each other as deadly enemies, they must join their forces together. The society must be strength-

ened and expanded, while the identity of the individual is preserved. The work of the society must be one work, performed by the brains and hands of its many individual members. All civilised life is full of this union. Every club, association, ship's crew, incorporated company, or town, church, and nation exemplifies this principle. Solitary and accursed, the selfish science of Economy stands apart from all other practices of life. In the pursuit of wealth it makes each individual an Ishmael. His hand is against every man, and every man's hand is against him. A system must be found, therefore, to reconcile these two contending interests. These pages will reveal how easily and completely the associative principle will amalgamate them. The same principle will utterly destroy that antagonism between Labour and Capital which is at present causing misery to millions, and sowing the seeds of civil war.

Many years since Hugh Miller, in his *Political and Social Essays*, thus wrote :—"Capital and labour, then, are joint investments, but they are in the present constitution of society antagonistic to each other. Whether a plan might be devised by which this antagonism should be obviated as a superfluous and unnecessary encumbrance, we cannot as yet say. Such a plan, if such be possible, is the great desideratum of the commercial world."

Indeed, so fixed and steadfast has this antagonism between labour and capital become, that writers upon

this subject had grown famous by laying down and defining the laws which govern it.

Summarising the opinions and hopes of the writers of all nations and of all schools of thought, we find :—

First.—That socialistic and individualistic economy, as well as labour and capital, are antagonistic to each other.

Second.—That it is desirable and necessary for public safety and for the advance of civilisation, that these antagonisms should be removed.

Thrd.—That many plans have been propounded to accomplish this desired object, upon the efficacy of which plans no two sections of political or economic thinkers are agreed ; and

Fourth.—That some plan will yet be found which will practically achieve the object proposed.

The important questions asked in modern days, and now waiting for an answer, sounding in our ears from socialistic schools, and from the hearts and homes of all the toilers among men, are,—“ How shall these be attained :—

1. A fair and just distribution of wealth ?
2. To every one according to his work ?
3. The full fruit of his labour to each labourer ? ” *

On the solution of these questions, humanity would be released from half the curses and misery which

* E. de Laveleye, *Cont. Review*, Nov. 1882, p. 506. *Ibid.*, April 1883, p. 580.

now afflict it. Need we wonder at men with strong convictions of right, and strong sympathies for their suffering fellows, attacking a system so plainly inimical to the happiness and well-being of humanity as that which now exists ?

Even in the colonies, sparse as is the population and wide as are the areas of unoccupied land, there is from time to time, and in different places, a large mass of unemployed labour.

In countries such as these, although the present conditions were continued, there ought to be ample employment for all who are willing to work. Here, if the argument of Mr. Henry George be correct, there should be no poverty at all, for large areas of land in all these territories are common and national property. The question frequently arises in the colonies, "How can unemployed labour be utilised so as to draw from unused land that wealth which will make it self-supporting ?"

The usual methods of settlement are not available in such cases.

To settle upon waste lands demands generally the payment of the price of the land itself. Expenses of travelling to the spot selected as a home have then to be borne. Some species of shelter, however rude, must be built at cost of both time and money. Fences have to be put up ; cattle or sheep purchased ; farm implements obtained ; and seed for cropping. In addition to all this, the capital of the settler must be

sufficient for his temporary wants. How many of the unemployed, or indeed of the whole labouring classes in England or the colonies, would be able to find the means necessary to enable them to become settlers! In the early days, when land was plentiful immediately contiguous to the growing centres of population and easily obtained, it was indeed possible for workmen to settle down upon their own freeholds.

From henceforth it will, if things continue as they are, be practically impossible. Nor must we forget that the populations of the colonies are rapidly increasing, and that by far the greater portion of the increase, both of colonial birth or foreign immigration, belongs to that class which depends upon its labour for its daily bread. In this view, seeing that all the available land round or near to the centres of population are now taken up, it is manifest that henceforth the poorer sections of the labouring classes have no chance or opportunity of obtaining for themselves and for their children, land sufficient for a home as their own property.

In addition to the difficulties already alluded to as likely to debar labourers from becoming proprietors of land, others will also present themselves to the most superficial enquiry.

Thus, distance from markets and from the means and appliances of civilised life, education, the services of religion, medical attendance, and the multifarious accessories of comfort, the want of which by habit

has become a second nature, present themselves. Then we know how much time is wasted by individual labour, how prodigal of efforts and expenses a man is forced to be who has to depend solely upon his own isolated exertions.

In addition to all this, the reward for individual labour upon land is generally of the poorest kind and scantiest quantity.

What are we taught by numerous examples of small settlements ? Instances might easily be quoted to prove that under circumstances of individual settlement upon small farms men, however industrious, however economical, wearied out in the conflict, worn and suffering from toil, have thrown up their holdings in despair, and sought to obtain a livelihood by the wages of daily labour.

The fact that the labouring classes have achieved nearly all that they can hope for from political sources is widely acknowledged. Mr. Frederic Harrison,—perhaps the most determined advocate of trade-unionism in England, who is as logical as he is determined, writing upon the “Progress of Labour” in the *Contemporary Review* of October, 1883,—speaking upon this subject, says: “It is matter for congratulation how completely the old Parliamentary programme has been cleared off, and how small are the measures still to be won which directly affect the working class alone. Parliamentary questions of immediate and special concern to him are happily growing fewer

by virtue of the very success of his own efforts. And even if Parliament is slow to put the finishing touch on all the measures of protection which the trades have asked, we have all confidence in the power that made Unionism a great force in the country to effect the end even without an Act. Many of the recent Acts have been but the Parliamentary sanction given to customs already enforced by the moral strength of the Unions. That strength was self-help, or rather, mutual help. Mutual help,—a nobler thing than self-help,—made the Unions. It has enabled them to win results that no Act of Parliament could effect. And by mutual help in the end these great issues between capital and labour will be all solved at last.”

I have omitted from the above paragraph the advice tendered by Mr. Harrison to the unions, to enter more into the administration of local self-government, in order to effect improvements in their own condition. This also is of importance, but the concluding words above quoted are vital to the existence and prosperity, not only of the trade organisations, but of the individual members. To the incessant labours of Mr. Harrison and his sound advice on many subjects the trades unions of the United Kingdom owe much. Few people would think, that amongst those who have cherished the most earnest feelings upon the condition of the labouring classes was to be found the late Earl of Beaconsfield, Benjamin Disraeli. By the extreme Tory party his memory is venerated as

that of a man who vindicated the rights of the patrician order, and bent his greatest energies to the extension of the powers of the Crown. By his opponents he is recollected as a meretricious and showy politician; to them the memory of Disraeli is inseparably connected with the dandified curl upon his forehead, his affected finery in dress, his showy and superficial arguments. To many of both classes it may be a surprise to hear that the late Lord Beaconsfield held strong and deep-rooted opinions upon the wrongs which the multitudes of England suffered in the distribution of the national wealth. Disraeli did not, indeed, ascribe the evils to their proper source. Strongly alive to and deeply sympathising with the terrible condition of the labouring classes, he laid that condition to the account of the introduction of Dutch finance at the advent of William of Orange, and believed it to be intensified by the passing of the Reform Act in 1832.

It is, however, but of little moment that he failed to see that the source and spring of these sufferings was to be found in the selfishness and unsparing competition which formed the basis of Adam Smith's teaching. The pictures of human suffering drawn by Disraeli in the pages of "Sybil; or, the Two Nations" are as dreadful as anything to be found in the writings of Carlyle or Victor Hugo. The aversion expressed by him to the iron rule of the new aristocracy of wealth is as deep and bitter as that of Lassalle or

Kingsley. It is strange that, possessing such strong convictions upon this subject, Disraeli did not attempt more for the vindication of the rights of the labourers of his country. But though his latter years did not seem to be devoted to the cause of the poorer orders of the people, no thinking man can read the tale above mentioned without being convinced of the depth of his sympathy, and his convictions of the injustice practised upon the working classes.

“*Sybil*,” as a novel or romance, is commonplace ; its literary merits are not great ; the language of its characters and their conversations are stilted and unnatural ; but the fire of sympathy burns upon every page, and the spirit of a leader of the English people breathes through it from the beginning to the end.

As I before said Disraeli blames the Dutch finance and the Reform Act for the condition of the people, but, with unerring sagacity he looks forward to a great reformation, and entrusts the destinies of his people to the care of the English youth.

“But if it have not furnished us with abler administrators or a more illustrious senate, the Reform Act may have exercised on the country at large a beneficial influence. Has it? Has it elevated the tone of the public mind? Has it cultured the popular sensibilities to noble and ennobling ends? Has it proposed to the people of England a higher test of national respect and confidence than the debasing

qualification prevalent in this country since the fatal introduction of Dutch finance? Who will pretend it? If a spirit of rapacious covetousness, desecrating all the humanities of life, has been the besetting sin of England for the last century and a half, since the passing of the Reform Act the altar of Mammon has blazed with triple worship. To acquire, to accumulate, to plunder each other by virtue of philosophic phrases, to propose a Utopia to consist only of *Wealth and Toil*, this has been the breathless business of enfranchised England for the last twelve years,* until we are startled from our voracious strife by the wail of intolerable serfage.”†

“But time, that brings all things, has brought to the mind of England some suspicion that the idols they have so long worshipped and the oracles that have so long deluded them are not the true ones. There is a whisper rising in this country that loyalty is not a phrase, truth not a delusion, and popular liberty something more diffusive and substantial than the profane exercise of the sacred rights of sovereignty by political classes.

“That we may live to see England once more possess a free monarchy, and a privileged and prosperous people, is my prayer: that these great consequences can only be brought about by the energy and devotion of our youth is my persuasion.

* Written in 1845.

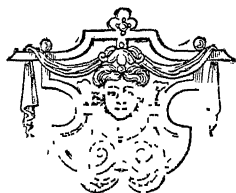
† B. Disraeli, “Sybil.”

“ We live in an age when to be young and to be indifferent can be no longer synonymous. We must prepare for the coming hour. The claims of the future are represented by suffering millions, and the youth of a nation are the trustees of posterity.”*

The necessity for changes more or less complete is seen and admitted by all. Poets of all classes from the Laureate downwards; statesmen of all parties and shades of opinion; ministers of every Church, teachers and professors of every chair; indeed, from the throne to the hut of the peasant, the present evils are deplored and a hope of a better day indulged in. And although as yet no plan has been formulated for the purpose, it is certain that we as a people and a race must take some new departure. To run in the old grooves, to travel onward in the same road is to hasten to ruin and decay. We stand at the cross-roads of fate. To go straight on means revolution and despair. Happily we can enter upon the widening paths which will lead to plenty and contentment through all the world-wide empire of Britain. Whither shall we steer our course? There can be but one answer. The long historical development of our liberties, civil and religious; the deep and wide foundations of our constitutional government; the enterprise of our people, nurtured amid wars and athletic sports for a thousand years; their restless

* “Sybil,” p. 489, *et seq.*

energies yet holding true allegiance to law and justice; the traditions of heroism; the accumulations of art and wealth; the long record of philanthropic deeds; the steady adherence to the worship of God; all that has helped to make the English race what it is to-day guarantees with absolute certainty that the present crisis will open to us a new epoch and era of our existence. In this new era injustice being remedied, and oppression beaten down, our people, freed from the prejudices and the circumstances which trammel other European nations, will develop in numbers, in wealth, and in power, and will leave the rest of the nations of Western Europe behind them in the race for universal supremacy as easily as the nations of Western Europe have during the last 500 years distanced the dormant races of China and the East.





CHAPTER X.

Concurrent growth of individualistic and associative spirit and practice—Antagonism between political economy and philanthropy—Mr. Goschen's statement—History and nature of trades and labour unions—Friendly societies and co-operative associations—Howell's conflicts of capital and labour—Thorold Rogers—Strikes—Their nature and results—Position of the labourer and capitalist contrasted—Trades unions should become producers of wealth in lieu of striking—Possible disasters both to employers and employed of strikes and lock-outs—Co-operative anxiety to become producers—Failure of efforts—Proper organisation will effect the desired result—History of co-operation—Its imperfect character and scope—Mr. Holyoake—Rochdale pioneers—Profit sharing—Difference in co-operation in England, France, and Germany—Schultze de Litsch—De Laveleye—First co-operative festival—*The Times* on failure of co-operative production—Hopeful anticipations—Ralahine—Co-operative failures discussed and compared—All traceable to one cause—This cause easily avoided—Toynbee and Rogers—Necessity of union between trades unions and co-operators and, perhaps, friendly societies—Vast results possible.



THE last hundred years has seen growing up side by side with the selfish and individualistic system a spirit of association of such great magnitude, and operating over such wide areas as to be altogether unparalleled in past history. The present age is fitly called the

age of associations. No branch of life exists which does not bear witness to this fact.

“ The spirit of association is asserting a beneficial influence in every calling, in every pursuit. It is a force rooted in the nature of man, implanted there as part of its constitution, and, like all others of this character, given him for a purpose, and having its own legitimate field of operation. Nor is that field a narrow one. The spirit of association is the fountain of much that is noblest in human character, and of much which is most heroic in human conduct.”*

Association begets and encourages sympathy, while isolation and individualism are the parents of selfishness.

Nor is it to the spirit of association only that the selfish nature of commerce is opposed. Its precepts, its practices, its aims are diametrically opposed to the principles of Christianity. No man who acts upon the teachings and deals upon the lines of political economy, as now understood, can so far practise and obey the teachings of Christ.

Philanthropy and political economy are in every point at variance.† These facts alone go far to

* Duke of Argyll, “ Reign of Law.”

† Mr. Goschen, House of Commons, on the assimilation of county and borough franchise, June 29th, 1877 : “ It appears to me that political economy has been dethroned in this House, and that philanthropy has been allowed to take its place. Political economy is the bugbear of the working classes, and philanthropy is its idol.”

prove that the science itself is incorrectly understood and erroneously taught. Without considering the numerous manifestations of the spread of the associative principle, in religion, in literature, in sports of all kinds, in art and science, in war and philanthropy, and in politics, let us for a moment consider its development in one branch only of those subjects which fall beneath the rules and laws of political economy.

The associations alluded to will bear no insignificant part in the revolution which is about to take place in the teachings of economical science, for they are themselves silently preparing the way for the introduction of a new and happier existence. How often, in history and experience, is it found not only "that great events from little causes spring," but that whilst men are looking and searching earnestly for the solution of some great problem or the discovery of some great truth in certain directions, the answer is given from some unexpected quarter whence no one dreamed that it would be heard. There are at present in all English communities, mainly originated and maintained by that portion of the industrial classes commonly known as working men, three extensive and increasing organisations, each having its own system, its own government, and its own purposes. These are, trades unions, friendly societies, and co-operative associations. So numerous are the members of these different bodies, so widely spread are their branches, so deeply rooted are they in the affections

and estimations of every English community, so rapidly are they increasing in numbers and influence, that they are now a very great power in the British Empire and the United States. All these organisations are self-supporting and self-governed.

It is a fact, at once remarkable and peculiar, that in the study of the true science of political economy so little is seen to be due to the teachings of learned men. The necessity for combination and division of labour became apparent by constant practice and in no instance from theoretic teaching. The usefulness of exchange, or, in other words, of commerce, was known in early days, when no men were aware that such laws as we perceive had an existence. None of the organisations alluded to are in any instance due to the speculations of philosophic thought or the results of scientific experiment. Yet they contain the germs of future prosperity for the multitude, and by virtue of their existence, extension, improvement, and union, the industrial class will become a solid power, and wealth will be fairly distributed.

The friendly societies, the trades and labour unions, and co-operative bodies are the offspring of the hereditary practice of association amongst the people. The instinct by which through their strong common sense,—in many instances amounting to the highest philosophy,—our working men are taught that union is strength, has under the favourable political conditions of modern times produced these vast organisa-

tions which, united and wisely directed, would rule the social economy as well as the political destinies of the empire and the States.

These bodies are bound together with no ropes of sand. No evanescent whim, no sudden impulse controls the armies which march under their banners. Every one of these societies is a school in which the members learn useful lessons. Prudence, sobriety, forethought, thrift, obedience, and sympathy are each and all inculcated. The value of combination and the necessity for mutual help are the foundations on which they stand. To their ranks, all are welcomed who are willing to join in their common objects and conform to their simple laws. As the admonition given upon entrance to the Manchester Unity eloquently impresses upon its members,—they unite those who hold the most discordant views, and join together those most widely distant. No disgrace or degradation attaches to their fellowship. No ignoble object inspires their hopes. Their leaders, elected from among themselves, marshal their hosts for noble purposes. From insignificant beginnings, through persecution, slander, and poverty, they have struggled onward against odds so tremendous, and difficulties so great as to appear insurmountable; and they have conquered. In one direction only, and that not theoretical, but practical, have economics become indebted to the native talent or acquired knowledge of individuals. In those varied inventions and dis-

coveries by which machinery has economised human labour, and increased so marvellously the powers of man, scientific thought and experiment have worked wonders, such as, to our fathers, would have appeared miraculous.

The changes in all matters relating to the possession by the poor of the necessities and comforts of life, since the times of the Plantagenets or Tudors, is wonderful. The industrial classes have necessarily to guard their own interests and the interests of the poor.

"All objects of common interest for which, in these days, special societies and associations are established such as benefit societies and insurance companies, were provided for by the guilds of the Middle Ages, the motive and principle of such union being *Christian charity* instead of, as now, profit."*

Before the destruction of the monasteries the needy had, in certain places unfailing sources of food in the worst times, and of counsel and assistance always. After that time came poor laws for the pauper, and formation of associations by the employed.

"Trades unions were formed for the purpose of resisting the aggressions of the rising manufacturers, and to prevent the spread of the gross abuses which naturally resulted from the disintegration of labour caused by a new system under new conditions, and governed by a new class. The primary object of the

* Howell, "Conflicts of Capital and Labour," p. 13.

unions was the maintenance of the independence of the workmen and the consolidation of their order, just as the Frith Guilds formed a kind of barrier against the tyranny of Mediæval magnates, and as the craft guilds opposed the oppressions of the old burghers. The journeymen only resorted to combinations as a means of self-help when legal aid was denied to them, and then there was no other power between them and industrial slavery.”*

All such combinations were illegal, and punishable by heavy fines. It was illegal to take wages above a limit fixed by law, but as in times of harvest, and after any remarkable occurrence which tended to raise the demand for human labour, employers always offered more, the practice of taking higher wages became comparatively common. In the Middle Ages the Church was a true friend to the labourer, and led to many reforms. Mr. Thorold Rogers, whose two works, “The British Citizen” and “Six Centuries of Work and Wages,” are full of information upon these matters, says :—

“The earliest religious and social reformer in England, Wickliffe, who first translated the Bible into English, established himself in the hearts of the people as strongly as did the great political reformer, Simon de Montfort, though by different means. While De Montfort gave form and existence to popular government, the great religious leader determined to create a

* Howell, p. 17.

new order of poor priests, who should surpass them in diligence, and should reach the hearts of the people. Now, at a time when the labourers' wages were rising, and the landowners in and out of Parliament were seeking to keep them down by all the means in their power, it was natural that the religious order which Wickliffe had created and named poor priests,—probably because he wished it to be understood that they were not a monastic order,—should be in strong sympathy with the wishes and objects of the working classes. One does not see how they could reach them and influence them unless they strove to assist them in bettering their temporal condition.”*

The workmen were often called upon to suffer both for combination and for taking higher wages. Yet it is reasonable to suppose that the law was often violated with impunity. The statute laws of the country were like the laws of Draco, written in blood. It is said that in the reign of Henry VII. over seventy thousand persons were hanged only for being vagabonds and having no work. It was not the interest of the landowner to shelter vagabonds, but it was to shield his hard-working labourers, although sometimes he had to give him more than the statutory wage. But when fined, the labourer was not friendless.

“ . . . the working classes united together to pay the fines which the law levied on them for taking higher wages than the law allowed, and these

* Thorold Rogers, “The British Citizen,” pp. 80, 81.

unions were, as we are expressly told by contemporary writers, as universal as they were powerful. . . . It is plain that the poor priests supplied the organisation which the work-people could not have created themselves, and were the treasurers of the fund subscribed for common purposes. They are distinctly said to have preached about the natural equality of men, and to have called in question the claims of superiority which the noble and wealthy classes made, and had for so long a time given effect to." *

Thus there always existed the germs of great organisations, and the principle of association was never forgotten nor forsaken. Indeed, the various guilds, and other forms of associated industry, were visible tokens of the existence of organisation, and that, too, of a high type. Gradually, during the earlier part of the machine industry period, severe laws were passed to repress all combinations of labour. Through good and evil, however,—against all odds and power,—the workmen would, and did, unite, till at length, in 1825, the combination laws were repealed, and the sanction of law was gradually given to all associations of labourers for lawful purposes. The friendly societies, arising as they did out of the guilds, have retained the insurance and charitable principles of their progenitors.

The trades and labour councils, the friendly societies, and the co-operative bodies, are especially

capable of taking the effective part in the movement which this volume is written to support.

These bodies, if they do but recognise the "coign of vantage" they possess, and enter into the path henceforth open, may take no inconsiderable part in the impending social reformation. All their traditions of the past, all their hopes for the future, all their anticipations of the happy change in the labourers' condition, are bound up in the system now proposed. In it every aspiration is satisfied, every purpose of their existence performed. The trades and labour unions have through the incredible exertions and terrible sufferings of generations of the sons and daughters of toil, at length won a right to live, a voice to speak, and ground to stand upon. They are extending their influence very widely, under different names and forms. Their discipline is seen throughout the English-speaking world. Numerically they are a mighty host. Their great divisions, brigaded in callings and localities, if marshalled together, would number tens of millions. They have suffered greatly. They have accomplished much. Not only have they won many great and signal victories in contests more dreadful than those of actual war, they have gained the respect, the sympathy, and the assistance of many in different ranks of life, and holding positions of influence in different countries. They have also obtained equal, or partially equal, political rights with their employers, and other orders in the State. All

this having been done, they are now halting in their march. Whither are they tending? To what land of promise do they journey? All that they can with reason hope to gain politically is substantially in their possession. If they possessed a majority in Parliament, what could they then attain? All other proposed acts of legislation are, and will be, of little comparative value if the present unfair distribution of accumulated wealth continue. Will Acts of Parliament keep open factories or support the rate of wages? Can legislation place clothes upon the backs of the labourer and his children, or give them food when times are hard? Can Parliament by a vote restrain the present predominating influence of capital, prevent its buying in the cheapest and selling in the dearest markets, placing its manufactories where people will work at starvation rates, and where the profits of its ventures will be doubled?

If the labouring classes suffer wrongs or groan under tyrannies arising from laws enacted by Parliament, or customs which Parliament can control, then the eloquent words of Pitt are true in every syllable: "Parliament is omnipotent to protect." But the wisest and mightiest Senate that ever sat in Rome or London, in Paris or Washington, never contemplated a law, or series of laws, by which the wealth arising from the labours of the nation, or any community within it, should be equitably apportioned. The form of such a Bill is unknown; the provisions of such an

Act undrafted. No preamble for such a statute has been ever written, and no debate upon the principles of such a measure ever roused the echoes of the Forum or pealed through the arches of St. Stephen's. In all the theories promulgated by the Socialists, not one sentence is to be found which indicates the laws proposed to carry such schemes of Social federation into legal practice.

Since 1825, trades unions have not only become widespread and numerous, but they have arrived at a pitch of organisation and discipline which render them both formidable and powerful. Regarding their internal order and management, I do not intend to offer any suggestions. The members of these extensive associations possess sufficient wisdom and sufficient experience to enable them to adapt their interior government to the circumstances which surround them. One or two exterior modes of action, however, which materially affect their success and prosperity, call for attention.

Although the "union which is strength" by which they are bound together is cemented by no unwise purposes and for no evil design, yet it may be safely predicated that under their existing methods labour can never be made the master of the position nor work out for itself its own salvation.

The method of relief adoptéd is but an imitation of the very worst and most clumsy expedient of ignorant and selfish politicians. It is merely an

attenuated poor law, and pauperises and degrades its recipients under the most benevolent impulses. The only weapon which is used in the unequal struggle with wealth, and one which distresses the industrial classes, is that cessation of toil,—“the strike.” No doubt on many occasions, and considered from many points, strikes have been eminently useful to the labouring class. To secure the successes so achieved much suffering has been endured by the workers themselves and by their wives and children, although this in itself has not been altogether barren of good results. No great cause, especially where it had to contend with selfishness or with prejudice, has ever advanced far upon the path to victory unaccompanied by the sufferings of those who maintained it. “The blood of the martyrs was the seed of the Church,” and in every land and age reformers have invariably found that suffering and self-sacrifice were the inevitable price of victory. The principal error lies in the continued practice of the strike. During the past two generations, by a train of circumstances no longer existing, it was possible for the labourers to compel employers to increase wages, to shorten the hours of labour, to limit the extent of employment, and to make other concessions for the benefit of the unemployed. A very slight glance at the history of the last half-century will reveal the source of the power exercised by the workmen as against the masters.

England was, until lately, the workshop of the world. The capital of her merchants, manufacturers, mine-owners, and other employers of labour was practically without limit, because all the new wealth created by the vast manufactures and other industries, and by the boundless commerce of Great Britain could be, and to a considerable extent was turned into fresh capital to be used in the payment of wages and the erection of machinery for the purpose of creating new wealth. The powers and forces of nature on land and sea, the inventions of science, the fresh mines of wealth opened in all directions offered unexampled facilities for the rapid accumulation of great fortunes by the employment of labour. That labour was practically limited to the British race, and therefore when a conflict arose in any one branch of industry between the employers and their workmen, the workmen might indeed be called upon to suffer during the continuance of this civil war, but the employer not only lost the profit arising from the surplus labour value of his workmen, but he lost also the interest upon his capital invested and profits in trade, and sometimes suffered such damage from broken contracts and confusion of business arrangements as brought him to ruin. The state of affairs is now altogether altered. When Pitt uttered his celebrated statement in the House of Commons respecting the duties of Parliament between manufacturing employers and employed, his horizon extended only

to the consequences resulting on a limited scale from a conflict between capital and labour.

“The time will come,” said Pitt, when speaking on the Arbitration Act, “when manufactures will have been so long established, the operatives not having any other business to flee to, that it will be in the power of any one man in a town to reduce the wages, and all the other manufacturers must follow. If ever it does arrive at this pitch, Parliament, if it be not then sitting, ought to be called together, *and if it cannot redress your grievances its power is at an end. Tell me not that Parliament cannot. Its power is omnipotent to protect.*”*

These noble and prophetic words, full of the sympathy of a great heart and the wisdom of a great statesman, worthy of him who gave them utterance and of the people over whom he ruled, contain a principle of national greatness which English statesmen of the present day will be wise to adopt. But the majority of the leaders of to-day are but pigmies compared with the men who steered England through the troubled seas of American and European wars and revolutions, and placed her in the zenith of her glory as the leader of the nations. Contrast with this noble utterance of the great Commoner the words already quoted uttered by the Rt. Hon. G. J. Goschen in 1877 to the same august assembly as Pitt addressed: “It appears to

* Quoted by Howell “Conflicts of Capital and Labour,” p. 114.

me that political economy has been dethroned in this House and that philanthropy has been allowed to take its place. Political economy is the bugbear of the working class and philanthropy is its idol." Mr. Goschen went on to say upon the question then being debated, viz., the assimilation of the county franchise to the borough franchise, that "the reign of numbers, if it endangers nothing else, endangers political economy."

These are the utterances of the present Chancellor of the Exchequer in this nation which Pitt and his coadjutors made great. Times are altered. That which Pitt foresaw as likely to happen in any one manufacturing town in England, and worse than that, is now possible and yearly becomes more likely to happen in any part of the world through the actions of some syndicate, which by cheapening production in different classes of merchandise could compete successfully, not only against the English workman but against the English employer also. And it is certain that the ever-increasing flood of mechanical inventions will gradually place human labour power at a terrible disadvantage, in contending against which strikes will simply mean starvation. The labourer is the owner of one factor of production. When a strike occurs the labourer refuses to contribute the use of his factor to produce wealth. Let us for a moment apply the same rule under similar circumstances to the owners of land and the owners of capital. First to the

owners of land. As labourers when employed by others give the use of their labour to their employers for wages, so the land-owner gives the use of his land to others for rent.

Supposing then a dispute to arise between the landlord and his tenants, so that they cannot agree upon the rent which shall be paid for the use of the land, or the terms and conditions upon which it shall be enjoyed: the tenant departs. The landlord then uses his land himself,—at the worst he will lay it down in pasture, and from the cattle and sheep that graze upon it derive a profit. Some use can always be made of land and some return always derived from its use. The case of capital is similar. The term “interest” stands simply in lieu of the term “wages” for labour, or “rent” for land, and interest can always be obtained, although as a final resort the National Debt has to be used for the purpose of obtaining a small annual per-centage. Compare now the position of the labourer in this matter with that of the land-owner and the capitalist. When the labourer is on strike, his estate, that is his labour, yields him nothing, he cannot use it or allow it to be in pasture or at small interest. And he is in this further and terrible position that the great government of nature in exchange for the life which she permits him to enjoy, levies upon him a continuous daily taxation,—a taxation inexorable, and from which there is no escape, from the cradle to the

grave. Nature with her despotic voice demands from him the food necessary to support her existence within him, the clothing which is to protect him from heat and cold, the shelter which is to defend him from the elements. All these he must pay or pass out of mortal existence. The land-owner is in no such condition; nor is the capitalist. Should taxation be levied by the Government of the country as Henry George proposes, the land-owner would, indeed, find his position approaching to that of the labourer, and if he allowed his property to remain idle he would forfeit it to the State.

No such plan has been proposed as regards the capitalist save by the extreme Socialists. Nor is it ever likely that it will be carried into effect in regard to the owners of land. Wages being the means of subsistence, and the means of subsistence being nature's taxation, all that the labourer earns, as a rule, when in full work is levied from him by nature. If, therefore, he cease to labour and to earn wages, he must either cease to pay his taxation or become a pauper, and obtain from charity the means to defray the incessant demands of nature. In the one case his life is taken from him; in the other, his manhood. But the changing times which have thus destroyed the lever that labour could once use to wring concessions from capital and have made strikes the suicide of labour, have also opened entirely new and unthought of avenues to better results for

combinations of labourers than they could hope to gain by striking. It is now possible for the trades and labour unions to avail themselves of great territories of land and of all the forces of nature, and to obtain the assistance and service of sufficient capital to maintain their armies of industry while creating new wealth; wealth more vast and varied than that which the past fifty years has seen realised, and which shall belong to, and be enjoyed by, them and their wives and children. To the attainment of this end their sufferings in the past will have been instrumental; and those vast unions, the bonds of whose companionship have been forged by common sympathies and cemented by common sufferings, will be able to use their order, their discipline, and their organisation, not for the suicide of labour, but for the creation of wealth, of all sorts and in every land, for themselves.

It is not difficult to imagine a state of things in which, after heavy and continuous strikes, most of the shipyards and mines and factories of great Britain would be closed, and the millions of operatives left to starve. Free trade and competition could easily supply the requisite circumstances. If the present tendencies continue, and the present conditions as to the employment and reward of labour remain unaltered, it needs no prophetic eye to see that a future full of evil is before the trades and labours, which all their organisations and reserve funds will fail to avert or remedy.

The friendly societies are in a better position than the trades unions, but they also are neglecting the opportunities now afforded, and are but using very old-fashioned and imperfect instruments to accomplish their ends. Their funds accumulate slowly, and are in no case invested in reproductive undertakings. The savings of hard and incessant toil are gradually expended in ameliorating the lot of the sick or unfortunate instead of being employed in sustaining labour upon reproductive investments for the common benefit of their members. The co-operative bodies are better off in this respect than the friendly societies. Their capital is invested, and their stores and undertakings are carried on partially upon a profit-making foundation. But these are the societies that feel so keenly the necessity existing for a system of co-operative production. Having got near enough to the true solution of the modern difficulty to see that co-operative production will carry them a long way towards its final decision, they are year after year attempting to find out some practical system for this purpose.

It is at once ludicrous and pathetic to read in the proceedings of congress after congress of the co-operative societies how successive committees are formed for the object of framing a plan of productive co-operation, and how persistently they fail in their endeavours, finding ever new excuses for their failures. The most expressive excuse is that the time is not ripe. The time is ripe. The one requisite is a plan

easily understood, simple in machinery and working, sound in principle, wide in aim, comprehensive in scope and mode, possibly universal in application and beneficent in results. Let the moneys subscribed by the trades unions and friendly societies now lying idle or at low interest be invested in such an association, arrangements being made by which at any time certain amounts calculated beforehand can be withdrawn at a moment's notice; let the surplus funds of the co-operative societies be thus invested; let the co-operative warehouses, yards, and stores be filled with meat of all sorts, flour, vegetables, fruit, and jams, butter and cheese, from their own farms and stations; with tea, sugar, cotton, coffee, and spices from their own plantations; with coal and iron, copper and oil, gold and silver from their own mines; timber from their own forests, all manufactured wares from their own factories, clothing from their own mills and shops; all carried to and fro in their own shipping, employing and supplying their own partners and themselves, and increasing the value of their estates, their villages, and their towns in many lands. Thus they would create new wealth which they would themselves enjoy, open new employments; draft away to new countries the surplus labour of the unions; create new markets; increase their savings and capital at a compound ratio. They could defy the present dominion of capital, and be their own employers. They could lay a new foundation both

for the production and distribution of wealth in a rational and humane political economy, and upon it rear a palace of industry, calculated not merely to astonish but to delight and bless humanity. To this end they are admirably adapted. To this, if they desire a destiny of usefulness, they will attain. Their organisations, their teachings, their discipline, their *esprit de corps*, their patriotism, their patience, their courage, their industry, and their faith in God and man will all aid them in achieving so good a result. These great associations, comprising as they do so large a portion of the bone and sinew of the English race, will, if properly advised and directed, furnish a great army for this rational and holy war.

Let it be granted that the capital of the Stock Exchange, of the speculator and of the usurer will not readily flow into these channels; let it be assumed that those who like to follow precedent and tread in the old paths, guided by old associations, and blinded by prejudice, will refuse to behold anything but virtue and wisdom in the orthodox system, and cast their opposition and the weight of their influence into the scales against the new plans; and let the mind be prepared for the most bitter attacks and determined hostility from the Manchester School; yet, in the face of all these difficulties and dangers, these great societies leagued together,^f calling to their aid all that is good and great in our people, will overcome every opposition and be victorious over every foe.

The nature, extent, and capabilities of the principles of co-operation have as yet never been thoroughly discussed and understood. It is not a subject upon which philosophic disquisitions have been expended nor arguments of schools continued. The writers who have attempted to sketch the principles of co-operation may be almost numbered upon the fingers of a man's hands. It is doubtful if any comprehensive and logical attempt has ever yet been made to reduce co-operation to a science. Different parts of what will no doubt hereafter form one of the most extensive and important branches of human learning have been but lightly glanced at, and incidentally considered. The late John Stuart Mill and Robert Owen, and among living writers, Sedley Taylor, John Rae, Pare, Emile de Laveleye, Thomas Hughes, and notably G. J. Holyoake, are the leaders in this field of literature, at any rate so far as England and English people are concerned. I am not here speaking of the French and German schools, where, as in France, other branches of this subject have been discussed in the workshops of Paris, and in Germany the people's banks inaugurated by Schultze de Litsch, have practically exemplified the benefits of even imperfect co-operation in finance. The practice as well as the theory of co-operation up to the present time has been always of a partial nature, and whether it has taken the shape of industrial partnership, distributive co-operation, profit-sharing in agricultural or

other pursuits, or any other form, it has been always and everywhere of an imperfect and partial character. The practice has almost always preceded the theory. The first efforts at co-operation in the United Kingdom did not include that part of the principle which gave to the purchasers a proportionate share of the profits of the enterprise equal to their contributions. It was the introduction of this part of the principle by the Rochdale pioneers, which laid the foundation for the present prosperous condition of the co-operative associations in Great Britain. No plan has, so far as I am aware, ever been sketched for the application of it to all the purposes of life, the production, the exchange, the distribution, and the enjoyment of all material wealth. Yet such is the scope and adaptability of this principle of association and mutual help, that it will without doubt ultimately be found capable of bestowing all the blessings which flow from the enjoyment of the necessities and comforts of life upon every class and every family in the empire. One of the most recent writers upon Socialism, Emile de Laveleye, asks whether it is not possible to find a plan by which co-operators shall be enabled to avail themselves of the great benefits of the Joint Stock Limited Liability System. The great bulk of the co-operative associations exist and conduct their operations under the provisions of Acts which of necessity fetter their energies, limit their extension, and impair their usefulness. The only form in which free

play can be given and powers commensurate with human wants can be conferred is through the operation of an enlarged and liberal joint stock and limited liability system. It is only necessary that such associations should enjoy certain legal rights and be erected upon a sure foundation, to enable their managers and members to achieve the greatest possible success, and the widest possible distribution of advantages.

The various plans for improvement hitherto proposed demand great changes in the moral nature or the social conduct of man. But we must remember that we have to deal with human nature as it is, and not as it should be. The only influence which ever in this world will constrain men to practical communism in material wealth of pure and unselfish character is the influence of the Spirit of Christ upon the heart. The day will come, I doubt not, when, in accordance with promise and prophecy, the Holy Spirit will so influence men. But that day is not yet. It is our duty to make such use of the materials at our command as to ensure to the multitudes of our race that justice which both natural and revealed religion enjoin, and to scatter as widely as possible and as fairly as may be the rewards of labour to the toilers of the earth.

On the other hand, all existing and practical schemes of co-operation are hemmed in,—“Cribbed, cabined, and confined,”—by a want of comprehensive-

ness,—a narrowness of view, aided sometimes by a practical selfishness, which limit their scope and usefulness to the smallest and pettiest results. Where there should be a flowing river, upon whose bosom the commerce of nations might float, there is but a tiny rill sufficient to carry small boats and to satisfy the wants of those who dwell upon its banks. And this incompleteness is common both to theory and practice. Thus, in the majority of co-operative associations in the United Kingdom the benefits are exclusively conferred upon purchasers. The members and depositors of money receive a certain rate of interest upon their capital, while the profits are divided among the customers. The industrial class, such as labourers, clerks, and managers, receive their wages, but no share of the accrued wealth or profits. This seems to be the rule in distributive associations. The societies which are formed for production in some few cases make their servants participate in the profits in the shape of bonuses, but there is no fixed rule. Mr. Holyoake lays it down as an absolute principle that the capitalist has no right whatever to any share in results beyond interest for the use of his money. In every direction the energies, the influence, and the capacity of true and complete co-operation are fenced in by unwise and unnecessary limitations. Perhaps the most remarkable condition attached either openly or tacitly to the successful working of this principle is

that co-operative societies must be ruled and directed by men of the labouring class. This is the opinion of John Stuart Mill, who in writing on the probable future of the working classes, gives a long and elaborate statement of his views, together with the facts upon which those views are founded.

It is at least strange that the economists who have given their adhesion to the doctrine of co-operation,—and, with a few exceptions, the list includes all modern writers,—do not see that by so doing they condemn the selfish, individualistic, and competitive foundation upon which the whole system of Adam Smith is built. And Mazzini, though not strictly a political economist, who believed with Kingsley that self-sacrifice and not self-interest was the true foundation of a correct system, also held that the only remedy was to be found in the union of labour and capital in the same hands.

The history of the co-operative movement is both interesting and instructive:—

The first series of efforts at co-operation after many vicissitudes and varying fortunes, which are described with picturesque and witty vividness, in the "History of Co-operation," by Mr. G. J. Holyoake, ended with more or less disastrous failure from 1837 to 1845.

The resuscitation of the movement at Rochdale marked a fresh and more perfect era in the development of the principle. Up to that time co-operation had been of a comparatively rude and undeveloped

nature. The movement commenced by the twenty-eight Rochdale pioneers advanced it one step from the rudimentary stage towards perfect development.

A new and hitherto untried principle was at Rochdale brought into operation, namely, the sharing of profits among purchasers. It soon became known that on this principle a valuable lode of wealth had been discovered, and within the last forty years thousands of societies, aggregating several millions of members, have worked profitably upon the reef which was struck and opened at Rochdale in 1845.

The Rochdale people took the name of Equitable Pioneers because they desired to establish equity in industry, and that they who helped to make wealth should share it. It is said that sharing profits with purchasers had before this time been suggested, and, in a few isolated instances, carried into practice. But they who established it as a principle, and placed it as a corner-stone of the great co-operative building of distributive industry which now rears its colossal form in the United Kingdom, were undoubtedly the little band of Rochdale pioneers with their petty capital of £28.

The time is now ripe for a further advance in social science. The final principles of the co-operative production and distribution of wealth are now discernible.

Spasmodic efforts have from time to time been made, with more or less success, to introduce the practice of this system to productive as well as dis-

tributive industry, but in some cases the effort has been unsuccessful, while in none has it achieved those results which may reasonably be expected. Its comparative failure has arisen partly from selfishness, partly from ignorance, and partly from timidity. In some cases, as in the Mitchell Hey Mill, the very men who in distributive industry had attained such a wonderful success, furnished some of those who drew back from the same principle as applied to productive industry. In no society, as far as I am aware, nor in any treatise upon co-operative science, is the elastic nature of the principle itself fully set out. We know exactly the factors which produce all wealth, and we can learn with ease and approximate certainty the values of the respective contributions given by each individual to the achievement of the desired result. Co-operation, or association, properly understood, should give to each individual who aids in creating wealth a portion of it proportionate to the value of his aid, and properly practised this may be done. As co-operation, or association, is capable of dealing justice in the appointment of reward, it is also able to open new fields of employment without limit. Until the vast areas of land in the British colonies, capable of habitation by man, shall have been fully peopled, co-operative farming and agriculture will afford an outlet for unemployed labour and superabundant capital. So long as ships have to be built and mines worked, cotton and wool woven and spun,

manufactures produced, and commerce of all sorts extended; as long as labour can be organised to provide the means of subsistence and the luxuries and comforts of life, so long indeed as man exists under present conditions and the world lasts, co-operative industry in production and distribution and the management of all human business will be available to bestow unlimited blessings upon men.

Several impediments to the spread of association are raised needlessly by the warmest supporters of the principle itself. Mr. John Stuart Mill, Mr. G. J. Holyoake, M. de Laveleye, and the leading Socialist writers who support co-operation, as we have seen, adopt the common idea that co-operative bodies and associations must of necessity consist of labourers. No doubt it is possible for labourers themselves exclusively to form associations whether for productive or distributive purposes, but it is not necessary, and, in the vast majority of instances, would not be expedient. As well might it be urged that the armies of the future were to be composed of private soldiers only, the navies manned alone by sailors before the mast, and the intricate affairs of commercial and political life altogether transacted by the labouring class. This is neither true nor logical. Associative economy will avail itself of the best instruments, the widest intellects, and the most cultured minds. It will call to its support the resources of wealth, the powers of legislation, the sympathies of beneficence,

courage, endurance, business capacity, and all other human powers and virtues. Hitherto its progress, though rapid, has been confined to certain channels; its business has been localised, its efforts disjointed, its solidarity dispersed and broken. As one of its principal leaders said at the Crystal Palace, "It is only a shopkeeping concern." What might have been and still may be a great host, complete in all arms, fully equipped for the conquest of the industrial world, has hitherto been but a great cloud of skirmishers or, at best, a multitude of guerilla troops, each fighting under its own flag. The hopes cherished nearly forty years ago by the Christian Socialists have never yet been fulfilled, because there has been no union, no organisation, no proper understanding of the method and value of association as the foundation of political economy, and because half-truths and erroneous ideas crept in, preventing the real organisation and true development of society on associative principles.

It is worthy of remark that the practice of co-operation has assumed quite different shapes in different countries. In England, co-operation is almost confined to distribution; in France, to labour; in Germany, to banking; in America and Australia, it lies principally in labour and insurance, although in America it is rapidly extending to other matters. Each of these instances illustrates a different field in which the main principle acts. In England, as a rule,

the customer or consumer gets all the profits; in France, the labourer absorbs them; in Germany, the capitalist. In none is the true principle practised, which shares the profits by contract, after paying rent, wages, and interest between the capitalist, the consumer, and the producer. Nor has it ever, to my knowledge, been suggested that true co-operation should embrace a partnership, not only of all classes in the production and distribution of wealth, but should extend to every calling and work in life.

It is not surprising that Socialists and others who complain of the present unfair distribution quote the statement of Adam Smith that "Labour is the source of all wealth," and claim that labour should receive that which it produces. When the great charter of human freedom was uttered in the celebrated Declaration of Independence, no statement was more widely approved and applauded than that which declared, "That all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness." This grand principle was, however, completely ignored so far as regarded those coloured people who were then and for nearly a hundred years afterwards continued to be held in bondage in the United States.

Far-seeing statesmen appealed to the framers of the American constitution to carry freedom thoroughly on to its ultimate consequence; but the power of the

slave-holding States was too great and the effort was vain. When the great contest came, in 1860, and that fratricidal war began, which cost a million of lives and more than a thousand millions of treasure, men remembered that some of the noblest minds of America had in 1778 predicted the terrible consequences which would ensue upon the determination not to emancipate all slaves while uttering the glorious claim of universal freedom. The simile may be extended to the past and present position of white labour and uncoloured slaves. Modern political economy has already declared that labour is the source of all wealth, yet it gives only the slave's portion, mere subsistence, to the labourer. And the grounds of its argument are the same as those of the slave-holding States of the American Union. The same actuating principle animated each. The lust of wealth, the selfishness which sacrifices all else for its own gratification kept the negro in bondage in America, and keeps the white slaves in bondage now the wide world over. The immortal Declaration stated that all men were born free and equal while its framers kept multitudes in servitude; the modern economy declares labour to be the source of wealth, while it cheats the labourer of his birthright and gives his earnings to others. Will not the results be the same? Unless the change comes swiftly which will make practice consistent with theory, it is quite possible that the

industrial class will avenge itself. Perhaps there is in the world no such difficult task as at once to convince men of their selfishness and to cause them to forsake it.

The virtue of co-operation is often exemplified in the prosecution of individual undertakings. In an able article, "Why have the Yeomanry perished?" in the *Contemporary Review*, October, 1883, Mr. Rae thus writes:—

"When a peasant proprietary is spoken of, it is usual to consider it a final and conclusive objection, that they could never undertake drainage or other permanent improvements on the great scale now essential to agricultural success. The Axholme tenants have surmounted this difficulty; they have effected permanent improvements on the great scale, in the only way small farmers can do them, by co-operation. For this fact we are indebted, not to Mr. Druce, but to the *Times*.

"‘It might be thought,’ says the writer in that journal already alluded to, ‘that drainage by steam power must be limited to districts of considerable estates or large farms, but in one case at least, where the open field land lies at a low level, the small husbandmen considered, at a public meeting, a proposal for improved drainage, consented to a plan, erected a steam-engine for turning wheel and sluice, cut and deepened many drains at considerable annual expense, paying their drainage tax of 2s. to 5s. per

acre. In another case, a large body of these owners have just agreed to lay down an eight-inch pipe drain crossing a long series of stripe lands, in order that the owner of each stripe may lead into it a subsoil drain down the line parting his plot from the next.'

"Arthur Young noticed their remarkable spirit of ready co-operation and mutual assistance in his days, and Mr. Druce mentions still that they seldom employ labourers, and need not because they help one another in busy seasons. A good deal of their success must be attributed to their habit of co-operation."

It must not, however, be supposed, although the principle of co-operation or of association has been widely proved and adopted, that it was likely at once to accomplish all that its supporters believed it able to effect. As a matter of fact, it did not. In Germany its progress was arrested by the disputes between Lassalle, Von Ketteler, and Schultze de Litsch. In France many of the associations which received subventions from the Government decayed; while, as we have seen in England, the enthusiastic hopes of Kingsley and Hughes, and the whole body of Christian Socialists, were doomed to be, at any rate for a time, disappointed. M. de Laveleye, after speaking of many of the failures, still utters his belief in the future success of co-operation, and gives his reasons.*

* "The Socialism of To-day," p 74.

In a note to this page (75) the Belgian economist starts the question as to whether it is not possible to obtain for the co-operative associations the advantages of the limited liability joint-stock company.

“It is stated in the report of an English society, The North of England Industrial and Coal Company, Limited, that several co-operative societies are large shareholders in the concern, which possesses blast-furnaces and rotatory puddling ovens at Carlton, coal mines in Durham, and smelting works at Cleveland. Here is the stepping-stone between the joint-stock company and the co-operative society.”

Not only is it possible and advisable so to do, but this step in advance could be with ease accomplished, and would obviate difficulties as to the holding of properties and distribution of profits which, even to profound thinkers like De Laveleye, have always presented most serious obstacles.

Each of these three great organisations, subdivided respectively into hundreds and thousands of minor bodies, holds its annual congress, attended by delegates from all parts of the three kingdoms, and oftentimes from abroad. In these conventions or trade-parliaments information is afforded, questions of internal government discussed, statistics of progress and of finance made public, and the history of the respective bodies recorded. These congresses, which, during the last twenty years have taken their

place among the institutions of Britain, are full of interesting studies, and testify to a wonderful expansion of the principle of association for the purpose of mutual help in all material interests. The figures and financial statements especially show that these three great groups of societies may be properly called national. And if it were possible to hold one general congress of all three organisations, the deliberations and resolutions of that body would, in weight of influence and importance to the great mass of English people, be greatly superior to the deliberations of Parliament, at any rate during recent years.

The proceedings of the co-operative bodies are, perhaps, more directly in point in a discussion upon political economy than those of either of the other two bodies. For though the trades and labour unions are superior as a social organisation to the co-operative societies, and the friendly societies must take a higher rank as regards the mutual benefits conferred upon their members, yet considered purely from the standpoint of the science of wealth, the actions and proceedings of the co-operative associations stand first in order. The reports of the annual co-operative congresses are full of matter calculated to arrest attention, to excite admiration, and to arouse hope.

The speeches made are, in truth, but the expression of an earnest desire for the teaching of the true system of political economy. For, in all the laws and customs, the theories and practice of the production,

exchange, and distribution of wealth, the teaching of this co-operative thought and practice is- but the promulgation of the new system of associative science in opposition to the selfish and individualistic system.

General Summary of Co-operative Bodies at end of 1884.

Number of societies..... .. 1,284

Numbers of members 764,028

Share capital £8,328,720

Loan capital 1,691,520

Reserve Fund 363,089

Value of saleable stock 3,475,176

Land, buildings, &c.... . 4,188,794

Investments 2,160,489

Total..£20,207,788

Received for goods sold, 1884 £31,053,628

Total net profit, 1884 2,735,170

Spent for education purposes, 1884 19,637

Spent for charitable purposes, 1884 6,331

Profits distributed in some of the co-operative and profit-sharing associations :—

Co-operative stores, &c., Great Britain, 1882 :—
Societies, 1,200 ; Members, 640,000 ; share and loan capital, £8,000,000 ; annual sale, £25,500,000 ; profits, £2,100,000.

No. 8.	Members	S. and Loan Capital.	Annual Sales	Profit
		1862.		
450	90,000	£450,000	£2,550,000	£166,000
		1872.		
920	340,000	3,340,000	13,000,000	935,500

Total profits divided among members, £24,544,818.

Thus we see in twenty-three years £24,544,818 divided as profits among 356,666 people of the working classes, or an average per head for the full time of about £69, and annually per head £3.

A return given at the Crystal Palace shows the following larger figures.—The total sales between 1862 and 1885 amount to £367,245,670, and the total profits during the same period to £29,959,561.

Borde Pianoforte, 1865 to 1882, £203,536, in some years as much as 25 to 30 per cent. on salary.

Paris and Orleans Railway, 1844, 1882, £2,583,378; Godin-Guise, 1880-1885, £250,000; Whitwood Colliery, 1865-1875, £35,000.

The first national co-operative festival was held at the Crystal Palace on August 18th, 1888. The success of the festival was complete.

On Monday, August 20th, the *Times*, in a long and able article, commented upon the whole co-operative movement, and quoted figures given by Mr. Greening, the chairman of the meeting, which figures were as follow :—

There are 1,281 co-operative societies established with 833,811 members, representing a population of

4,000,000 or 5,000,000; that the business transacted last year amounted to over £31,200,000, and the net profits to nearly £3,000,000; that the share capital stood at £9,247,435, and the average profits upon the capital at 30 per cent. But the speaker went on to admit that it was at present "only a shopkeeping movement."

The *Times* then remarked strongly upon the fact that co-operative production was, as yet, a comparative failure. After discussing the reason for this partial failure, the *Times* asserted its belief that a change in this respect was inevitable. The article concluded thus:—

"But we refuse to believe that co-operation has yet disclosed all its resources. As yet it is but in its infancy. Some day it will be found possible, either by hiring skilful and energetic managers, or by other means, for workmen to co-operate with success, and so to acquire that larger share of profit which they claim. As an instance of the many developments which may be expected of co-operation, that of profit-sharing in private undertakings is noteworthy. Many employers of labour in France and America have found their best interests served by paying their workmen either entirely in profits, or partly by wages and partly by profits. This system is extending; and its extension seems to prove that co-operation between employer and workman is profitable when the employer is a private individual. Why should it not be profit-

able when the workman is his own employer? Co-operative congresses and co-operative festivals are extremely valuable in keeping the movement before the eyes of the public; but they will do the greatest good in proportion as they induce men to devote themselves to the solution of this vital problem.

One of the most remarkable experiments ever made in co-operation was that of Ralahine in the county Clare in 1830 by Mr. Vandaleur, mention of which is hereafter made. In that case, after all difficulties had been overcome, and the prejudices of the labourers completely removed, and while all matters were flowing on in a stream of success, the landlord and his labourers entered upon a correspondence which is unequalled in history by any similar or analogous writings. For it must be remembered that it took place more than half a century ago, and that the workmen to whom it was addressed formed a portion of a community renowned throughout Ireland, at a period when agrarian outrages were as common as they are now, as being among the most lawless and violent. Mr. Vandaleur's former steward upon this very estate had been shot only two years before. But two years of patient co-operative work and government had effected a complete and marvellous change,—a change so complete and marvellous that had it been predicted at the time of the murder of the former steward would have earned for him who predicted it the title of a madman.

Mr. Vandaleur's address to his labourers on the employment of machinery in agriculture :—

“ Tell the owners of land that if they wish to use machinery beneficially they should form you into societies where it cannot injure you, but where you would have an interest in using and protecting it. And should they be induced to unite with you in these arrangements so advantageous to all parties they would soon see a great, wonderful, and rapid improvement in the state of the country ; there would be no more starvation in the midst of abundance, nor any necessity for industrious workmen to leave their homes, friends, and country for foreign woods and wilds, whilst their native land remains but partially cultivated.”*

Labourers' statement, Ralahine :—

“ We, the undersigned, have experienced for the last two years contentment, peace, and happiness under the arrangements introduced by Mr. Vandaleur and Mr. E. F. Craig. At the commencement we were opposed to the plans proposed by them, but on their introduction we found our condition improved, our wants more regularly attended to, and our feelings towards each other at once entirely changed from jealousy, hatred, and revenge to confidence, friendship, and forbearance.”†

“ The eminently encouraging results attained at Ralahine under eminently discouraging circumstances

* Pare, pp. 69, 70.

† *Ibid*, pp 137, 138.

seem to constitute a strong argument in favour of renewed experiments of the same or a kindred description. The requisites are land, capital, and labour. We hear of farms unlet, of capital pent up in banks for lack of safe investments, and in parts of Ireland, at any rate, of a redundant agricultural population. On the other hand, the evil to which Mr. Vandaleur pointed, 'starvation in the midst of abundance,' is still uneradicated, and emigration far from being a satisfactory cure. Can there, then, be a doubt that with needs so urgent and conditions so favourable the remedy for agricultural weakness which participation seems to offer ought with no further delay to be submitted to conclusive trials made upon an adequate scale?"*

In view of the encouraging results obtained at Ralahine, I am not at all surprised at the remarks upon this subject made by Sedley Taylor, himself an ardent believer in co-operation. Since the publication of his able little work on "Profit-sharing" (1884), the condition of unhappy Ireland has become almost desperate. Yet herein, if looked at and considered wisely, lies the remedy for all the sufferings of that unhappy country, and the atonement for many of the wrongs of Irishmen. Considered in what light soever we may choose, all the agitations in Ireland resolve themselves into a question of food and shelter,

* Sedley Taylor, "Profit-sharing." Kegan Paul, Trench, & Co. 1884.

a question of social economy, of the production and distribution of wealth. Home Rule is not an end; it is but the means to an end. The end desired is a certainty of food derived from the soil of Ireland, and of home and shelter upon its lands. Nor must it be forgotten that the experiment here made was an experiment in productive co-operation. So that Professor Sedley Taylor's remarks should be considered equally by the Government and by the Co-operative Congress.

There exists no reason why there should not be—

Co-operation in production,	
„	in manufacture,
„	in agriculture,
„	in mining,
„	in exchange,
„	in labour,
„	in insurance,
„	in finance,
„	in colonisation,
„	in distribution;

nor why all these should not be joined in one and worked together.

If we examine the causes which have resulted in the cessation or failure of instances of the profit-sharing system, we shall find that they are simple in themselves and in future cases easily guarded against by the adoption of the plainest principles. In the early

days many societies failed by reason of the state of the law regarding partnerships, which has long since been remedied. Since 1860 the principal stoppages or failures may be easily named. No doubt a great number of business failures took place in so-called productive co-operation between 1870 and 1880; "as many as 224 co-operative productive societies registered under the Industrial and Provident Act have altogether been dissolved. Of these 224, it has been stated by another leading co-operator, 156 societies were small joint-stock companies, with no co-operative element in them; 44 proposed to divide profit between capital and customers, and 24 between capital, customers, and workers. Bad management and disagreement among members, want of capital, of business experience, of taste in design and execution, —these have too often been the causes of failure."*

Regarding these comparatively unknown instances of failure, the few really co-operative associations seem to have broken down because the necessary conditions of every commercial undertaking were neglected. Under the same defective arrangements all schemes, whether individual, co-operative, or communistic, may equally be expected to fail. Some instances, however, very widely known, may be appealed to as illustrating important principles. The first in order of time is that of Mr. Vandaleur's experi-

* Acland and Jones, "Working Men and Co-operation." Cassell & Co., p. 104.

ment of profit-sharing in agriculture at Ralahine, in the county of Clare, Ireland. The success in this case was in truth wonderful. The county was in a state of agrarian rebellion ; the former steward upon this very property had been just previously shot : no man's life was safe ; yet the system of profit-sharing produced peace, order, industry, and prosperity. But in less than three years, while in a state of unparalleled prosperity, it came to a sudden and untimely end. Mr. Vandaleur, it is said, one evening threw or played away his property ; the Ralahine estate was sold, and the experiment stopped.

The next in order, and undoubtedly the greatest of all in importance, is the case of Messrs. Briggs and the Whitwood Colliery, which, after ten years of successful working upon the profit-sharing system, was finally ended as a co-operative undertaking in 1875. I do not intend to enter into the merits or demerits of the lamentable disputes between Messrs. Briggs and their workmen and the miners' trades unions, which ended in the termination of such fruitful partnership between capital and labour, from which so much was expected.

It is sufficient to say that this failure caused a very widespread feeling of dismay and disappointment among the friends of co-operation everywhere. I only cite it as I cite others, to prove general principles, and to point out the error which permitted its possibility.

This instance is justly and ably discussed in Professor Sedley Taylor's work on profit-sharing. The third case is that of the Bredon Farm, near Berlin, the property of Herr H. Johnke, upon which profit-sharing existed for five years, from 1872 to 1877, when Herr H. Johnke sold the property, and the new proprietor declined to continue the plan. Herr Johnke was influenced in this course by the opposition and enmity of the neighbouring nobles and proprietors to the system.

The last case that I shall quote is the Mitchell Hey Cotton Mill at Rochdale, started in 1854, but the directors and shareholders of which, in 1862, abandoned the principle of distributing a portion of profits to the workmen. This result, which is to the present day regarded as the worst and most disastrous episode in the whole history of co-operative production, arose from the selfishness of some of the shareholders, who fell away from their principles for the sake of gain. To them might have been addressed that noble rebuke of the Apostle to the Galatians, "Ye did run well: who did hinder you that ye should not obey the truth?"

In all these cases, and they are fairly typical and representative, the cause of failure is one and the same. In every instance the principle of profit-sharing was successful. In both the agricultural experiments, after great success had been achieved, the estates passed to new owners, who declined to carry on the work. In the case of the Messrs. Briggs, the trade

disputes raised so strong a feeling between employers and employed as to destroy the harmony which had existed for many years, and during which £35,000 had been distributed in profits. In the last case, no other motive can be assigned for the abandonment of the profit-sharing system, but mere greed on the part of the shareholders, most of whom were not really co-operators. The sole cause of cessation in all was this,—that the working men had no vested rights in the property itself, nor in the business carried on, nor in the profits derived from it. Having no rights, their position depended upon the goodwill of the employers, and the alteration of that position was at any moment optional with the employers. In many of these cases, had the labourers or workmen possessed an interest or right in either the property or the business, or even in the profits arising from it, they could not thus have been suddenly thrust out at the whim of a stranger, or the uncontrolled will of an employer. If the business had existed upon the basis of a partnership, then the position of the labourers would have been still stronger. No system will be permanent, no position can be secure, unless the rights of all be protected by law; unless those rights are absolutely defined, nor until the mere fact of working for wages in such a concern gives of itself an indefeasible right to the workman both in the profits and improved value of the property of the undertaking.

There should be no dependence whatever upon

mere goodwill, nor upon any sentiment of honour, nor of any loose arrangement terminable at will for the sharing of profits. It is simply a matter of business and of business rights. Considered upon the ground of principle, as put by Stanley Jevons, the wages of labour should be the mere payment on account for subsistence, and the share of profits and of increased value arising to the labourer beyond such wages, should be his by indefeasible right, secured to him by an ordinary legal contract. Had this been the case in regard to Ralahine, to the Whitwood Colliery, to the Bredon Farm, and the Mitchell Hey Mills, all these undertakings would yet have been most probably going co-operative concerns of a successful character.

The last public utterances of the late Arnold Toynbee, delivered in London, were devoted to a criticism of Henry George's work. The style and argument of the two lectures are clear and forcible. Throughout them both there burns the intense fire of that "enthusiasm of humanity" which is the great source of hope for the future. Mr. Toynbee discusses with calmness the doctrines of the economists, and in common with nearly all other modern thinkers, expresses great hopes from the growth and spread of those great associations, the trades unions, the friendly societies, and the co-operative bodies. When speaking of the necessity for Government protection to the people in the struggle for wealth, he

says—"Here, however, arises a great problem. We shall have to carry out these measures without undermining that old independence, that habit of voluntary association of which we are justly proud; for if we undermine that,—that pride which has made the English workman sacrifice everything to keep himself out of the workhouse, which has made workmen bind themselves in friendly societies and trades unions, and in co-operative societies,—if we undermine that, then it would be better to leave our work undone." Several other allusions are made to the subject of the three organisations, notably at the close of his remarks upon the necessity of aiding in all such movements, and the certainty of good results from associations of this nature. It is to be deplored that Arnold Toynbee was cut off at his very entrance upon a life of usefulness. A kind heart, a noble spirit, moderate in criticism, ready to appreciate whatever was good and true, even in an opponent's position and argument, devoted to the task of leaving the world better than he found it, he had not even strength or time to correct these fragmentary criticisms upon the principles enunciated by Henry George. Another writer, who has had opportunity to prosecute a most interesting series of enquiries into the condition of the labouring classes in England during the last six centuries, and who has unearthed most curious and instructive records, has also borne a very high testimony to the great value of these voluntary

organisations. It would be out of place here to criticise Mr. Thorold Rogers's book, although a high meed of praise may properly be bestowed upon it. Mr. Rogers thus speaks of the associations alluded to by Mr. Toynbee:—"Three processes have been adopted by the working classes, each of which has had a vast and should have an increasing influence in bettering the condition of labour, and making the problem of dealing with individual distress, however caused, easier and readier. They should be viewed by statesmen with unqualified favour, and be treated by working men as the instruments by which they can regain and consolidate the best interests of labour. They are trade unionism, or, as I prefer to call it, labour partnership; co-operation or the combination in the same hand, or organisation of the functions of labour and capital; and benefit associations, or the machinery of a mutual insurance society. So important do I conceive these aids to the material, intellectual, and moral elevation of the working classes to be, that I would even at the risk of being thought reactionary, limit the privilege of citizenship, the franchise, Parliamentary and local, to those and those only who entered into these three guilds,—the guild of labour, the guild of production and trade, and the guild of mutual help. Nor do I think it extravagant to believe that were those associations rendered general and finally universal, the social problems which distress all and alarm many would ultimately

arrive at a happy solution. The first and third are only revivals of ancestral practice, the second is not very unlike the habit which prevailed in ages which I hope I have made in some degree familiar. I must, however, advert to them in another chapter, for this is already unduly long.”*

Unfortunately, Mr. Rogers does not afterwards revert to this most important subject. Save in one or two allusions to the organisation of labour, he fails to bring his readers face to face with his three guilds, or either of them. It is peculiar that in the very interesting introduction to his book, Mr. Rogers should also allude indirectly to these organisations, and yet fail in the volume itself to speculate upon the principles of true political economy in them developed. It is at least disappointing, otherwise the book is most useful and instructive. It clearly shows that competition is of modern growth, that lord and tenant and serf in olden times all shared in the produce of the soil, and that until the modern period, say, since the commencement of the eighteenth century, labour did receive some portion of the wealth which it drew from nature.

Efforts are continually being made to bring these bodies into contact. This is more especially the case as regards co-operation and the trade unions. It is felt that the object of both are practically

* Thorold Rogers, “Six Centuries of Work and Wages,” vol. ii. p. 440.

similar, that the end desired is the same, and the leaders of both societies have for a long time perceived the advantages likely to arise from a union between them. The difficulty of a coalition arises from the want of a common platform and a common constitution. Could all three be joined upon a wisely drawn system, a miraculous change would soon result for labour.

In regard to the union of the two first, De Laveleye writes thus :—"Indeed, in more ways than one there is much to be hoped from an understanding between co-operators and trades unionists. The two bodies are to a large extent composed of the same individuals, and they have fundamentally the same end in view, namely, the material and moral elevation of the working men who join them, though the means which they employ are very different. If trade unions would combine with the co-operative organisation, and devote some of their capital to promoting co-operative production and making it successful, they would be doing much towards the emancipation of the wage-earner in the only complete manner,—namely, by making him his own employer."*

In common with all other writers who look to co-operation as a solution of the present difficulties, Cairnes does not seem at all alive to the fact that it belongs to a new and antagonistic system of political economy. This writer is adverse to trade unions

* De Laveleye, "Socialism of To-day," p. 330.

as likely to be practically useless. But speaking of co-operation, he says —“It was the opinion of Mr. Comte, as it is that of his disciples, that the true ideal of industrial society, the goal to which all reforming efforts should be directed, is a more and more complete and definitive separation of the labouring and capitalist classes. The proper model for our industrial organisation, according to them, is an army in which the capitalist are as the captains and the labourers are as the rank and file. The conclusion to which I have been led by the line of argument developed above is precisely the opposite of that which the Positivists maintain. It appears to me that the condition of any substantial improvement of a permanent kind in the labourers’ lot is that the separation of industrial classes into labourers and capitalists which now prevails shall not be maintained, that the labourer shall cease to be a mere labourer; in a word, that profits shall be brought to reinforce the wage fund.”

It is a somewhat remarkable fact that the difficulties raised to the complete ascendancy of co-operation by the belief that labourers themselves must be the leaders and directors of associations founded upon it are so great that Carlyle and Ruskin are driven into the same camp as Auguste Comte and many of the economists, holding that a just, wise, and firm masterhood is the real solution of the labour difficulty. Many economists like Cairnes openly express their

disbelief in and aversion to the principles and practice of trades unionism. Professor Newcomb, in a very able article on the "Organisation of Labour," published in the *Princeton Review*, in September, 1880, while reviewing the organisations which had been attempted or were possible for labour, writes:—"The general conclusion which we must accept is that labour unions are the greatest foe to the elevation of the labourer himself. . . . We believe that the more carefully the problem is studied the more clearly it will be seen that the present state of feeling among the labouring classes is abnormal, and that the normal state of things at which we should aim is one in which the community of feeling shall correspond to the community of interest among members of each industrial organism."*

Professor Fawcett also takes the same view. But Fawcett unreservedly supports co-operation. No wages which employers can afford to pay will ever avail to give the labourer the proper reward of his industry. Wealth is created in so many forms that if the workmen received all the direct proceeds of his industry, he would still be creating a vast mass of wealth for others. The unearned increment in land and in the value of business,—the goodwill of every calling,—the increasing developments of wealth which arise in civilised communities on every hand, do not directly arise from labour, so as to be traced

* "Organisation of Labour," pp. 245, 246


to their source. It is a gradual increase from the aggregate labour, and cannot be attributed in any distinct shares to individual effort. Besides which there must always be that portion of natural wealth which is by virtue of his manhood the property of the labourer, although not arising from his labour.





CHAPTER XI.

Civilisation bringing necessity for mutual assistance—Definitions of some ordinary terms—Political economy—Its nature and objects—Wealth—The factors of production—Production—Exchange and distribution or appropriation—Value—Present and proposed systems compared and contrasted—Summary of the three systems, mercantile, physiocratic, and orthodox—The three classes who aid in producing and exchanging wealth, capitalist, producer, consumer—All life full of organisation—Money—Specie—Paper currency—Public credit, proportion in which labour, capital, and consumption should share.

HE higher the degree reached by any community in the grades of civilisation and refinement, the more is each member of the community dependent upon the thoughts and the toils of others for the means of life and enjoyment. The sun-dial, the water-glass, and the burning taper measured time roughly, but the same comparison and contrast which exist between those means of the measurement of time and a Benson's chronograph scarcely parallel the difference existing between the normal condition of the savage tribes and that of the civilised nations of to-day.

This portion of the subject is treated by several

writers with remarkable skill and intelligence Unconnected with any moral aspect of the science, and simply considering men as intelligent machines adapted to and endowed with innumerable methods of labour and production, the economists have been able to display the varied powers of combined labour in a liberal and comprehensive spirit Thus John Stuart Mill devotes ten pages of close reasoning and apt illustration to this subject, which he classes under the head of "Co-operation; or, the Combination of Labour." He speaks of simple and complex co-operation, of the division of labour and separation of employments, and proves conclusively that the labour of man is increased in efficiency and in productiveness by this co-operation. Mill repeats the three causes stated by Adam Smith as follow :—

"First, the increase of dexterity in every particular workman ; secondly, the saving of the time which is commonly lost in passing from one species of work to another ; and lastly, the invention of a great number of machines which facilitate and abridge labour, and enable one man to do the work of many."

Mr. Mill correctly observes that of these the increase of dexterity of the individual workman is the most obvious and universal. The reasoning both of Adam Smith and Mill is clear and conclusive.

It is not flattering to our self-complacency to find that the Continental writers, French, German, Italian,

and Swiss, invariably take a wider and more elevated view of political economy and its component parts than our own writers. Contrast the meaning of the term, "Labour," as used by Wolowski and J. S. Mill.

Wolowski says, "Labour is nothing but the action of spirit on itself and on matter. Hence its dignity and grandeur. Hence also the difficulties in the way of economic studies, since to consider them only as conceived with questions of material productions is to forget that the productions of industry are made for men, not men for industrial products. To ignore the close relationship between their fruitful investigation and the whole circle of the moral sciences, is to debase them and to mutilate them. . .

. From the moment that we see it is the mind which produces and which governs the world, intellectual and moral perfection becomes the cause and effect of material progress. 'But seek ye first the Kingdom of God and His righteousness, and all these things shall be added unto you.' The increase of production becomes the instrument of elevation in the moral order. It is energy of soul and manly virtue which constitute the chief source of the wealth of nations, which create it, develop it, and preserve it. Wealth increases, declines, and disappears with the increase, decline, and disappearance of these noble attributes of the soul. Labour is the child of thought. Nothing happens in the external world

which was not first conceived in the mind. The hand is the servant of the intellect, and its work is successful, beautiful, or useful in proportion to the activity and development of the intellect, and in proportion as the just, the beautiful, and the good exert their power over it." How different is this definition of "Labour" from that of Mill, who says, "Labour consists in putting things into fit places, or moving one thing from or to another." Truly there is but a step from the sublime to the ridiculous.

The attempt made to define the meanings of terms used in political economy have led to ludicrous confusion, and have produced only this result, that their meanings are unknown. I do not attempt to state the definitions of any terms as used by others. The use and value of a dictionary is to give a standard of the meaning attached to any given word by the best writers and speakers gathered from their books and speeches. Were any person to attempt thus to reduce into order the meaning of the terms used in this science, he would undertake a task in itself impossible. The meanings attached to each scientific or technical term by different writers vary so widely, and so frequently contradict each other, that no common interpretation is possible. No science can be demonstrated unless its terms and nomenclature are clearly and commonly understood and agreed upon. I do not, therefore, intend to say what the terms mean according to common custom, but

simply what I intend by their use so that when they are employed, the reader will generally understand what is meant. The object being to make the terms practically intelligible and consistent with the construction that the mind of an ordinary student would naturally place upon them.

Political or social economy treats :—

1. Of the production
2. Of the exchange; and
3. The distribution or appropriation of wealth

Such being its nature, its objects are :—

1. To develop the resources of nature to the fullest extent by human industry, aided and sustained by capital.
2. To produce, adapt, and exchange the greatest amount of wealth at the least expenditure of time, labour, and capital.
3. To enable all who aid in the production and exchange of wealth to share in the appropriation and enjoyment of that wealth in a fair and equitable degree.

Wealth consists of and includes all material objects which are or can be produced or appropriated by human industry,—mediately or immediately,—from nature, and which are or may be made available for the sustenance or comfort of man, and also all things or matters the subject of exchange or sale, or having a money value.

Wealth may be divided into classes :—

1. “Latent” wealth, or wealth now in existence but not yet realised or produced for human use and necessities, such as coal, gold, and iron in the mine ; fish in the sea.

2. Surplus or accumulated wealth, which consists in all existing wealth already produced and appropriated, of every sort and class, excluding capital which is deducted from surplus wealth, and used in the production of fresh wealth. All surplus wealth may be turned into capital.

The three factors of production are :—

1. Nature and its forces.
2. The mental and manual labour of man.
3. Capital in all its varieties.

Labour includes all possible human powers and capacities. Production includes not merely direct production, but all processes by which the forms of wealth are altered and its value increased. Exchange includes all commercial enterprise in the way of purchase and sale, barter, currency, &c., by which realised wealth is interchanged amongst nations, communities, and individuals.

Distribution or appropriation of wealth is its destination, as the property of individuals by whom it may be consumed for pleasure, or used as capital for fresh productions, or sold for money, or exchanged or held or used in any way desired by its proprietor.

The formula of the economists that all produced wealth is distributed in the shape of rent, wages, and interest or profit, is absolutely incompatible with the simple statement of the facts. Wages paid to the labourer, for instance, are not the distribution to him of his share of the surplus wealth, but the expenditure of capital as part of the cost of production. The payment of wages as the price of labour, and the payment of interest as the price of capital, are indispensable items in the cost of production. The payment of rent is not so. Rent need not be paid as such, for capital may be invested in land, and the interest only of the capital be regarded. Such portion of the wealth of an individual or organisation as is invested in the purchase of land for reproductive purposes becomes capital, and the interest upon that is no longer rent, but really interest upon capital.

Distribution is the final appropriation of surplus and accumulated wealth among families and individuals, not necessarily for their own consumption, but as their own property. They may exchange it for other wealth, or turn it into capital for the reproduction of fresh wealth, or use it or consume it for their own sustenance or enjoyment.

Natural wealth or benefits are claimable by each individual in virtue of his existence. Each is entitled to a just share of the bounties of nature. This share depends not upon industry, nor upon fitness, nor talent, but solely upon the wants and requirements

of each respective physical organisation, and should be as freely enjoyed as light, air, and water. It is measurable only by the natural wants of each individual. The foundation principle of a proper system of political or social economy is the second great commandment. The maxims and principles of the present and proposed system may be easily contrasted. The construction and results of the two may be compared. Such a contrast and comparison will perhaps give a clearer idea of what is and what ought to be the science of wealth than any arguments or reasonings.

Value is of three kinds,—value in use, value in exchange, and value in estimation,—instances of which may be met with in every man's daily life. The value in use is necessarily that value which a thing possesses through its utility to the possessor, and this will vary immeasurably as the circumstances of life vary. Thus a rope may be at one moment practically useless, and the next may be of inestimable value in the saving of a life.' So of many other articles. The value in use therefore is a continually shifting value, and cannot be regulated by any fixed rules.

Value in exchange is not so variable, although in this class also the variations are incessant, and the fluctuations extreme. Prices rise and fall, and fortunes are lost or made often by the slightest increase or decrease of market value. Here again no fixed rule can dominate. To speak of a fixed labour value

as of something which exists, and the existence of which enables us to fix an ascertainable price or value in exchange is visionary and delusive. There is no fixed standard or value in exchange, not even for gold and silver, much less for other commodities which are not, as these, the media of exchange, but the things exchanged.

Value in estimation is still more capricious than either of the others. An article utterly useless in itself may be of inestimable value to its owner. Thus a book, a horse, a chair, some cottage in which the days of childhood have been spent, may possess, to the mind of the proprietor, a priceless worth. To some minds no material wealth would outweigh the value attached thus by sentiment to articles or property in themselves practically valueless for use or for exchange.

In neither class does there exist any law which can possibly be formulated. It can only be said that they are of value, but their value to different individuals is unequal, under altering circumstances their value varies, and, as a matter of sentiment, their value is altogether changed.

Not one of these classes of value can be reduced into figures permanently. Nor is there any proportion between them. Each value is perpetually fluctuating. Value in exchange, although subject incidentally, to wonderful, but spasmodic, fluctuations in certain classes of property, is more regular in

regard to the necessities of life than either value in use or in estimation. In any class it is impossible to reduce value to a rule, for the value of a thing daily and hourly alters, and the alterations are altogether beyond human foresight or human control. A perpetually varying supply and demand, and innumerable contingencies, affect value. That there is a value in all three classes is certain, but it is evanescent, personal, and full of change.

Comparison of the present orthodox with the proposed just and proper system of

POLITICAL ECONOMY.

Present System.

Founded upon selfishness. Ascribes the ruling power in employment, in commerce, and in all production of wealth to capital as its proper function. Declares unrestricted competition to be the mainspring of all progress; that *laissez faire* is the only true road to individual and national prosperity; that the proper position of the great masses is found in the service of capital; that the proper payment of the labourers, the immense majority of mankind, is a wage paid for the whole life's work, sufficient to keep life existing while the energies and powers of life are spent in producing wealth for others; that the increase of mankind should be restricted to

Proposed System.

Founded upon the second great law of Christ,—“Thou shalt love thy neighbour as thyself.” Teaches that the primary object to be attained, so far as regards the temporal state of men, is universal prosperity, to be achieved by the greatest possible production of wealth and all objects of comfort, and a just and equitable distribution amongst the individual portions of every community helping to produce and exchange it; that the proper function of capital is to support and assist human labour in the production of all kinds and necessary quantities of those objects which conduce to the happiness and provide for the subsistence of men; that it is proper to provide

the numbers which capital can employ, and that all those who are unable to support themselves by their own labour, or from the inability or refusal of capitalists to employ them, are trespassers on this earth, and must be removed; that the making and increasing of wealth is the main object of human exertion and spring of human progress; and that all these and numerous other principles necessarily drawn or proceeding from them are the laws of nature, and must not be disturbed.

systems of interchange for the productions of all countries, and such easy and speedy methods of transit as will afford the freest commerce possible, to promote and encourage the co-operation of labour and capital in every department of production and distribution, and to provide for the joinder in interest of the producer, capitalist, and consumer; that the benefits arising from the ownership and possession both of natural wealth, such as land and other forces of nature, and of productions and manufactures, shall be justly and equitably enjoyed by each and all, in proportion to the amount and value contributed by each respectively to the common result; that population should be restricted only by the powers of nature properly directed to support it; that the proper position of men is that in which they work for their own benefit, and that the due payment for their labour, or for the use of their capital, is that share of the created or produced wealth which is reasonably proportioned to the value of the labour or capital so used; that to ensure this, while wages should be the immediate payment for labour, and interest the immediate payment for capital, the labourer and the capitalist should be entitled to share in the profits,—otherwise, surplus or accumulated wealth; that the true system by which the greatest amount of wealth and means of comfort can be pro-

duced and most fairly distributed is to be found, not in the selfish and individualistic system, nor in the Communal or Socialist systems, but in co-operative organisations in which the claims, the rights, the duties, the rewards, and the property of the society on the one hand, and its individual component parts upon the other, shall be fairly balanced and adjusted, and the results of labour and the bounties of nature fairly distributed.

Summarised, the three systems stand thus :—

- I. Mercantile or commercial system, teaches of exchange, is based on capital.
- II. Physiocratic system, teaches of production, is based on land or physical nature.
- III. Orthodox school, teaches of distribution, is based on labour.

Had Adam Smith, or any of his followers, down to the present time, in any of the English, American, or Continental chairs, perceived the true nature of surplus wealth and sketched fair laws for its distribution, a complete science of political economy might have been in existence, although the laws of that science and its operations would have needed amendment. Wealth when produced must be consumed by those who produce it, or given in lieu of other wealth. That is exchange. But no production nor exchange, nor

both together, complete the final destination and enjoyment of wealth. That is performed by distribution. After the consumption of capital used in fresh production, there remains an immense surplus margin, or accumulation. This surplus is the subject of final distribution or appropriation. No plan can pretend to be a science of economics which does not clearly show the existence of surplus wealth, and which does not provide for its distribution or appropriation. The first object to be attained is the union of the three factors of production. The second is a method of exchange which shall at the least possible cost of time, labour, and money, and with the greatest certainty, enable the surplus products of different localities, of different countries, and of different climates to be exchanged. The third, and perhaps the most important of all, is the necessity for distribution for appropriation and enjoyment. These desired objects being attained, the owners of capital and labour who produce and exchange, and those who provide a market for consumption of surplus products,—consumers,—will all share in the wealth produced; not merely in that portion of it which is consumed in the shape of wages to labour, of interest to capital, of rent or interest for land, and goods purchased and paid for; but of the business profits of all such transactions and the general increase of communal properties and values.

There are thus three classes whose aid and assist-

ance must necessarily be given for production and realisation,—the producer, the capitalist, and the consumer. For without labour nothing can be produced; without capital no land, nor instruments, nor means of production can be procured, nor labour supported; without a market and the means and opportunity of exchange, no produce save that which could be used by the producer himself would be of any value.

The producer, the consumer, and the capitalist, therefore, to ensure complete success, must be joined by unity of interest and advantage.

To achieve this we must place these three classes in partnership.

Another condition requisite to success is that the factors of production shall be united as the joint property of one proprietor, and that that proprietor shall be at once producer, capitalist, and consumer. Then there should exist the wisest organisation for the employment of labour and capital so as to produce the greatest amount of wealth, whether in annual production or in permanent improvements, at the least cost. Nor should we forget that production should be directed so as first to satisfy the requirements of all who are interested or assisting in the production itself, and then to provide for the general purposes of an advantageous commerce.

It is necessary also that all produce and merchandise should be brought to and distributed amongst consumers without unnecessary delay, at

the lowest cost and price consistent with a moderate profit for production. And it is absolutely necessary that no monopoly should ever be permitted of the benefits to be enjoyed from such conditions of social life. While, on the one hand, there should be no compulsion, on the other there should be no restriction to the participation of these advantages. All who desire to contribute labour or capital, or to purchase, and thus, by consumption, co-operate, should be able to do so.

These conditions can only be accomplished and fulfilled by the application of the joint-stock principle.

The necessity of organisation is daily becoming more apparent. The age in which we live, as we are so often told, is an age of progress.

So vast are most of the great undertakings of this age that single men seldom attempt them, and these are men of colossal wealth and daring courage; for all know that in such cases one slight mistake may turn a millionaire into a bankrupt. A very large and growing part of the business of life is now carried on by societies organised in various ways, generally as joint-stock companies. The ships of companies carry armies of passengers across the seas. Along our coasts, companies' steamers carry them from place to place. They land, and a company's cars carry them to and fro. They go to any bank,—nearly all are companies,—to cash their letters of credit. They buy land of a land company, order materials

for a house of a timber company, buy coal of a coal company, clothes of a clothing company, meat of a meat company, horses of a stud company, insure both house, and life, and safety in insurance companies ; get their ironmongery, their soap, and oil, and candles, their fruit, their lime, from companies ; borrow money from a company ; sell their goods through a company ; do their washing, both personal and relative, by a company ; leave a company as trustees of their wills ; then die, are buried by a company, and a newspaper company publishes the obituary notice. It is now a common and perhaps a prudent course to take when any business becomes too large for individual responsibility to form it into a company. When any exceptionally costly or vast undertaking is to be accomplished, it is done by means of a company. Thus commerce grows, and wealth increases. Productions are multiplied at a tenth of the olden cost, and in a tenth of the olden time. The work once done laboriously by multitudes of men, is now performed by costly machinery with marvellous accuracy and perfect ease. By a company the Suez Canal was cut ; the continents are traversed by railways built by companies ; upon the surface of every ocean the fleets of companies carry the commerce of the world ; while far below along the still and silent wires the ends of the earth are, by permission of a company, whispering to each other the stories of joy and sorrow, of loss and gain, of victory and defeat, of

famine and plenty; now telling of an earthquake destroying cities; then that nations are thrilled at a hero's death. It is impossible for individual working men to compete in the game of life. The end would be certain ruin. There are also other signs of the times which compel the mind to the conclusion that organisation and co-operation are necessary in every department of life. Benefit societies, clubs of all sorts and for all purposes, associations of all descriptions, religious associations, churches, Bible and tract societies, missionary, political, athletic, literary, artistic, scientific, philanthropic. In short, all civilised life is organised. Government and society themselves are but the widest and most comprehensive forms of organisation and co-operation amongst men.

The common enemies of the industrial classes are anxiety, and want, and unfairly required toil. These have to be conquered and destroyed. It is monstrous, it is a scandal upon our civilisation and Christianity, while millions of acres of fertile land and available soil, enriched with genial climates and opened by noble harbours, lie untouched and waiting to give forth their treasures of food and raiment to the hand of industry, that there should be idleness and want of employment.

And it is a bitter satire upon our boasted intelligence and capacity for business that half the labour in the country should be wasted; that farming, as a

rule, should rather impoverish than enrich the farmer; that in some branches of industry there should be so much production as to leave no available market, while in others there should be so little as to compel us to send large sums annually to other countries for articles which we ourselves could produce in greater abundance and at less cost than they can do from whom we buy.

The sole exception, so far as I know, to the rule that political and social thinkers believe in this movement as a potent means of public and social improvement is Mr. Henry George. But it will be seen on examination that he rejects it solely through misconception of its scope and powers.

Mr. George's argument is that all wealth comes from land and the use of land; that the co-operation of labour and capital, however likely to assist in elevating the moral position of workmen, and to produce wealth more plentifully and at less expense, would in the end only act in the same way as improved machinery and means of transmission, and so make greater wealth for the owners of land. It is surprising that so shrewd a thinker did not see that one step more would place the proposed scheme in safety. If, as he says, co-operation only ends in giving wealth to the land-owner, then let the co-operative associations become owners of the land necessary for the purposes of production, and the benefits and increased value will remain to them.

In no proposal yet published has the full power and capacity of this principle been at all realised. In its simple but complete capabilities it can, like the Nasmyth hammer, mould the head of a pin or beat into form an iron beam. The engines of the *Thunderer* or *Devastation* might be used to work a simple wheel for unloading cargo, while powerful enough to drive through the ocean the great frame of the giant ship.

Like all natural laws and natural forces, co-operation or association can be used for purposes of utility in most minute particulars, while possessing power beyond calculation. Why should it be restricted to one branch of trade, to one group of callings, to one sort of industry? Why should it be confined to labour only, or to exchange only, or to production, or to capital, or even to exchange and production, or labour and capital joined? Why not at once, as here proposed, extend the operations of this principle to the production, exchange, and distribution of all things necessary for human use and enjoyment, and to the utilisation of land, labour, and capital combined? There is now, and always has been, co-operation in the production of wealth, though neither properly organised nor wisely directed. Every member of every community joins in creating wealth; the tiniest child provides a market for some producer in the food and clothing necessary to sustain life; the pauper, the invalid, the wealthy idler and the spendthrift, all make a market which sus-

tains commerce, encourages industry in many lands, gives value to the place where it exists, and they all unconsciously and without knowledge aid in creating national wealth. But beyond doubt the busy throngs of working men, guided by the mental power of the scientific and the thoughtful, create the wealth of nations.

Let co-operation be carried one step further and all then will be well; let those who co-operate to produce this great wealth, co-operate also in its ownership and its enjoyment, and the problem of social life is solved.

The facilities now existing, which continually increase for the exchange and transmission of commodities over all parts of the earth, may be used for the general public welfare. In this direction a very great and beneficial result may be effected by utilising public credit for the purpose of creating a paper currency which shall be, as a legal tender, equal to gold. The retention of one metal (gold), or two metals (gold and silver), as the only legal tender for the discharge of liabilities, is a most foolish and dangerous error. It is well known that there is not one-tenth, perhaps not one-hundredth, part in quantity of the precious metals available for the payment of debts which would be required if all creditors were to demand payment in specie. It is not the mere fact that gold and silver form the substance of coinage, which makes it an absolute payment. That

privilege arises from the coinage itself. An ounce of gold may be worth four pounds, but an ounce of gold, unstamped, would be no more a legal payment than an ounce of copper. That which gives it its value as a medium of commerce, which enables a merchant or a banker to maintain or redeem his credit by its use, is the fact that it is coined and certified to by the State. The State mark could be equally well put upon paper. Indeed, if great commercial difficulties and troubles are to be avoided in the increasingly complex and extended affairs of business life, it is absolutely necessary that a system of State or other paper currency be adopted and used. It is scarcely necessary to point out the immense advantages which such a plan, wisely projected and carried out with prudence, would confer upon the whole community.

Mr. F. A. Walker's "Political Economy," published in London in 1885, is a work more particularly valuable when dealing with the question of currency. Mr. Walker instances the currency of American green-backs from 1862 to 1879, and shows that they were a complete circulating medium of exchange, readily taken for all purposes, although in effect it was inconvertible because gold was not provided to meet it.

He gives his opinion and the arguments upon which his opinion is based, to show that such inconvertible paper is good money, and he quotes the remarkable instances of the issue of the notes of the

Bank of France from 1871 to 1877, including the period of the Franco-Prussian War. But Mr. Walker quotes the opinion of Bagehot, that "any depreciation, however small,—indeed, even the liability to depreciation without its reality,—is enough to disorder exchange transactions."

Government could at any time prevent a panic, or the continuance of a state of depression. Sometimes the mercantile community is unable to realise, although perfectly solvent, and wide-spread ruin and suffering result. Occasionally agriculturists and manufacturers would gladly extend their operations in sound and useful directions, but are unable from want of means to do so. From time to time there are many persons unemployed who, were there but some system, especially in the colonies, by which they would be enabled to grow their own food, would, at any rate, cease to be a burden upon the public at large. And under the system of co-operative associations it would not be difficult for Government, by means of a paper currency, or guarantee, to provide the necessary capital to make even the poorest and most destitute self-supporting, while it increased its own wealth and safety.

The question of paper currency, of a metallic basis of value, of the expediency or necessity of State banks, whether of deposit or of issue, with the great and important questions of mono-metallism and bi-metallism, although strictly forming part of the

science of exchange, are a study in themselves,—and a study of no mean importance. I have not been able to devote sufficient time to this part of the subject, which comprises such varied complications, such vast arrays of figures, and such an indefinitely wide field of facts and phenomena, to enable me to make any very lengthy dissertation, much less an exhaustive treatise upon it, and readers will pardon me for restricting to the very smallest space my remarks or ideas upon this question.

A fair consideration of the statements already made in this chapter will show how widely the influence of the plan which I propose would extend over society. For when it is recollected that every member of the industrial classes is at once a producer and a consumer, and that great numbers, including all those who manage from their earnings to lay by and save sums of money or acquire property, are capitalists as well, it will be perceived that it is possible to make every worker a producer, a consumer, and a capitalist. The truth of these assertions will be recognised from their mere statement, but the important bearing which these have under a proper system of social economy, is not so quickly discernible; and yet this is the answer to the vexed question, it is the solution of the great problem of modern social life. For the workman, while receiving his wages upon which he lives, can also retain a proportionate share of the wealth created by his labour; thus receiving, in addition

to his wages, a share of the accumulated wealth proportioned to the amount of his earnings, his position would be infinitely different from that which he now holds. The labourer's cash profits would form part of his income, to be saved or expended as he chose; but his share of the growing value and accumulated wealth could be made inalienable, at least for a term of years, so that while enjoying its yearly return in dividends he would be unable to part with or lose, or be deprived of it in any way whatever. In this manner an insurance of the healthiest and most righteous kind would be continually growing for every industrious family in the land. Add to this the fact that labourers would live as labourers never lived in England yet, that employment would be constant, and prices of all necessities lessened, and it will be seen that a perfect and complete change would be effected in the condition of the labouring classes. For in this manner as the toil by which his daily bread is earned would bring him not only the means of living, but wealth besides; so the purchase of the necessities of existence would entitle him to a further share in the surplus wealth of the community, and the profits on his savings, besides interest, would make him richer still. The ordinary circumstances of every-day life would to each and all become channels for perpetual streams of material comfort,—perennial harvests of material good.

The terms upon which the three factors of pro-

duction should be admitted to participation so as to ensure an equitable distribution is a question which has never been argued. To assess fairly the contending claims of these three factors must be at first somewhat experimental, although we may be able to lay down principles which will approximately give a fair and just distribution in general cases. By the union in one corporate body through the joint-stock principle of the ownership of all these factors it will be possible to distribute to all and to each a just proportion of realised wealth.

To owners of land assigned to the association beyond a sum equal to a fair rent upon its unimproved value; to owners of capital beyond the current rate of interest upon money; and to owners of labour beyond the payment of current wages, there should be given that proportion of the surplus created wealth which is justly due to each respective class.





CHAPTER XII.

Necessity for voluntary action—Organisation and combination develop the powers of the human race—Application of this truth to the science of wealth—The joint-stock system—Adam Smith on joint-stock companies—Such associations monopolists—Expanded nature and powers of proposed association—Basis proposed—Partnership between capitalist, producer, and consumer—Possibility under such organisations of universal employment and destruction of pauperism—Memorandum of association—Possible prosperity for the multitudes under new system—Objections to State aid discussed—Dilemma of Government—The great opportunity now offered—Commerce between Great Britain and the colonies.



IT is impossible to achieve by any positive law a change in social economy which will remedy the evils now suffered by the industrial poor. The remedy must be effected by the consent of those concerned, and by their voluntary adoption of such principles as will, when put into operation, work a complete and beneficial change. The efforts of State Socialists will still be unavailing, because any improvement in the organisation of labour for the production of wealth and in the method of its distribution must be voluntary if

it be intended to be permanent. Inducements to individual labour and individual excellence must always offer themselves in order to produce the greatest development of skill, courage, and endurance. But competition should be kept within those fair and honest limits which now control it in all public games, examinations, and contests of a like nature.

In these matters the chicanery and frauds, the tricks and deceptions of every-day business, as now conducted, are unknown. Even in gambling or duelling fraud is sternly forbidden. Upon the frontier lines of civilisation cheating at cards or with dice means death, and the same crime in a London club would ostracise the guilty person from society. Even in the contests of the prize-ring an unfair blow brings instant defeat upon its giver. In competitive examinations, or in contests of skill or athletics, the rules of fairness and justice are strictly enforced.

But in business, in trade, and in the amassing of wealth, injustice, fraud, falsehood, and deception are common. And if the perpetrator of such practices grows rich, he is admired, honoured, and caressed by the world at large.

To achieve complete success in a better line, organisations must arise possessing new and peculiar characteristics. In these days we are eminently practical.

Unless a theory can be reduced to practice, it is like silver in the days of Solomon, "nothing ac-

counted of." Every project which cannot at once be tested and gauged by experience is lightly put aside as a mere dream.

The tendency of modern days is towards utilitarianism, although there have been times in history when philosophic and contemplative minds controlled the destinies of nations. It is, doubtless, both wise and proper to demand experimental proof of the correctness of any theory of which, in the nature of things, the truth can be demonstrated. Yet the greatest of all Teachers, upon whose character and words the welfare of the world depends, taught the simplest of abstract principles ; for the philosophy by which man is to be guided and to be blessed rests upon two simple propositions,—Love to God and love to man. In all those matters, however, which affect the daily life of men, their comfort, and their wants, it is reasonable, when a certain course of conduct is advised, that the nature and consequences of such conduct, its reasons, its methods, and results, should be explained. Especially in a matter of such grave importance as the introduction of a new system of social economy, which, so far as it may be adopted, will change the conduct of men towards each other and revolutionise the distribution of wealth, is the demand for a practical application of theory proper. The theory here set forth is easily reducible to every-day practice. It needs no intricate machinery, no change in codes of morality, no new principles of family or communal life,

no great learning, no peculiar fitness either of mental or physical constitution. It does, indeed, require those peculiar advantages, of which human society has within the last half-century obtained the knowledge and possession. Heretofore the methods for the attainment of wealth and its enjoyment have been, from one point of view, of the simplest possible character. Each man for himself, and for himself alone, has entered into the world's battlefield, and fought thereon with more or less success; generally with "less." To win the means of subsistence and to attain wealth there has been, in all ages of the world, a striking similarity between the conduct of human beings and that of the wild beasts. Men have literally preyed upon each other. The strong, the cunning, the fortunate, and the unscrupulous have trodden down and torn to pieces their weaker and more unfortunate fellow-creatures. It is not surprising that many persons should be able to trace a resemblance between the ordinary history of men and the principle of life among the lower animals, which Dr. Darwin has called "the survival of the fittest." The "fittest," if applied to humanity, not being in any sense the best, the noblest, or most beautiful in mind or form, but those who by any means manage to exalt themselves even through the sufferings and the degradations of their fellows. The attempt, therefore, to bring into the every-day life of all ranks and classes a principle of action diametrically opposed to that which has

hitherto held its sway amongst men, both in precept and practice, may well lay upon him who makes the attempt the burden of demonstrating the feasibility and practicability of his doctrine.

Throughout human existence, and, indeed, throughout all existence, so far as we can perceive it, there seems to be one great principle by which all the multitudinous diversities are gradually resolvable into distinct individualities or entities. Consider for a moment the diverse yet wonderfully harmonious amalgamations or groups existing in the human world.

Passing by the mass of incongruities and contradictions composing every individual, we see each unit in the human family in itself solitary and complete. In existence, in hopes and fears, in thoughts and deeds, in suffering and delight, it is different and apart from all the world besides.

The simplest form of human society is the family. Here, again, is another entity, composed often-times of many members, but in itself an organisation, distinct and separate, an individual family amid the families of the earth. Thenceforward through the whole round of human existence, the unit, the individual, becomes a portion of other organisms, the club, the profession or trade, the borough, the community, the Church, the nation, the race, and, finally, all the individual atoms are part of the great organisation,—humanity itself.

The groundwork or foundation of all is the indi-

vidual man. Each person is an atom in the general existence. It is only as the atom coalesces with other atoms, as the individual mingles with the surrounding multitude in a thousand different relations, that the higher forms of being are brought into existence. In the perceptible universe, although we know not the laws which govern the combinations and changes of the elements, yet we perceive and enjoy the results. The colours of the flowers, of the sky and the ocean, the perfumes, the tastes, the melodies, and the beauties of form which surround us on every hand, are due in every instance to the laws of combination prevailing throughout the world of nature.

In the human world, and even as Auguste Comte taught, in the whole circle of the sciences, laws of a cognate nature prevail. The individual is the unit and atom of existence. It is by combination and association that all effects are produced. This is strikingly exemplified in the production and exchange of nature's gifts amongst men.

It ought not to be more difficult to apply the principle of combination and association to the distribution and appropriation of material good than to its production and exchange. This is the end proposed. How shall this end be attained?

It is to be accomplished by a simple form of association. I need not enter into a description or history of that form of combination known as joint stock. It is enough to say that only during the last thirty

years has it reached its present stage of development. Before 1855 a joint-stock company with limited liability was unknown to the law of England. Since that year many improvements and amendments in the constitution of these associations have been made legal in different countries. Alterations of a beneficial character are still possible. Owing to recent legislation, the lines within which societies of this nature can now be brought into existence are so elastic as to include almost every purpose possible to be conceived, and the construction of machinery necessary and suitable for carrying such purposes into effect. Here is an organism of the very highest character which may contain multitudes of human beings in its structure and composition, who thus combined may form one mighty individual, able at one and the same time to gather the fruits of every clime and soil, to carry their products upon every sea, and to distribute them in every land to every people : an individual who, so far as this world is concerned, shall annihilate time and space, and who, guided by one mind, living and working for one purpose, shall gather the harvests of the earth, and distribute those harvests justly and beneficently among the vast numbers of its individual component atoms, as the whole body is nourished by the life-stream from the heart.

So little was known by our fathers as to the capabilities of the joint-stock system, that Adam Smith

writes of it thus :—"The only trades which it seems possible for a joint-stock company to carry on successfully without an exclusive privilege are those of which all the operations are capable of being reduced to what is called a routine, or to such a uniformity of method as admits of little or no variation. Of this kind is first the banking trade; and, secondly, the trade of insurance from fire, and from sea risk and capture in time of war; thirdly, the trade of making and maintaining a navigable cut or canal; and, fourthly, the similar trade of bringing water for the supply of a great city."

What would Adam Smith have thought if he could have looked forward for a hundred years and seen the rude combination which the joint-stock principle of his day presented to the mind, elaborated into the powerful as well as delicate machinery which characterises this great human organism in the present age. The joint-stock company of to-day bears the same relation to the joint-stock company of our great-grandfathers, as our steamships and railway cars bear to the coaches in which they rode to London and the cockleshells in which Cook and Anson sailed round the world.

The joint-stock companies which are to form the machinery for increased production and distribution of wealth must contain features new in themselves and different from those of any such associations now existing. They must combine the qualities and

advantages of different classes of institutions. The ordinary joint-stock company is at best but a monopoly. Its advantages and profits are restricted to a definite number of shares and share-holders. No association which is in itself a monopoly can claim with justice to distribute fairly its benefits to all. There must, therefore, under the new system, in every such society exist, as one of the principles upon which it is founded, a right, open to all and sundry, to enter at any time under fixed rules, into participation of its advantages.

Such a society also must possess such full powers in all the active duties and capacities of life as are enjoyed by any subject of the Crown. Usually a joint-stock company is limited to a very minute part of the business engagements of ordinary life.

The memorandum of association which contains the objects of its existence, and the mutual contract of its members, gives the exact scope and limit of its powers. In no instance as yet has the full scope of the joint-stock system been ever attempted.

Men who have entered into partnership in this form of association have always thus availed themselves of a safe and convenient form for some specific object. They have limited the powers of their co-partnery to the performance of this object only. A joint-stock company is, after all, only a voluntary system of social and business government for certain definite purposes and with certain well-defined and circum-

scribed legislative and administrative functions. The local and supreme governments of every English community are only compulsory joint-stock associations, existing not like trading companies for gain but for the common welfare and protection. Corporate bodies must now be created which shall possess all powers of trading and business, while they are endowed with great capabilities in other ways. The one great end of their existence will be to produce and distribute wealth of all descriptions among all its producers, and they will thus hold vast powers in the way of philanthropic services. Generally, the widest circuit of choice as to action will be left to those who manage, subject to the control of the members of the association. A thousand such corporate bodies might exist at the same time, each of which, while it numbered among its shareholders tens of thousands of individuals, might also be in partnership with many other associations. In this way a species of universal insurance would be promoted, providing for a general distribution of the results of labour and the gifts of nature among the industrial population.

The associations must compass the partnership of the producer, the consumer, and the capitalist. They must also provide for the payment of due rewards to each of their members or shareholders.

(a) By giving wages to the producer for

labour of every description performed in the service of the association.

- (b) By giving interest to the capitalist shareholder upon the amount of his money invested in the concern.
- (c) By giving goods or commodities or permitting the use of property to those who pay money to the corporate body for the purchase or rental of the same.

These may be called the immediate recompense for the aid afforded by the various contributions of different classes and individuals in production and exchange. Other benefits and values will arise, forming the surplus and accumulated wealth of the whole body. These fall, as we have seen, into two classes. First, the money profits in any given period. Secondly, and most largely, the increased value of land and other property, both from improvements and by reason of the unearned increment; the accumulated mass of commercial and manufacturing wealth other than money; and the increase of live stock and other food, and wealth-producing natural products. This wealth, both of money and increased value, should be distributed fairly among the industrial class, the capitalist class, and the consuming class; and to each individual of the respective classes in exact proportion to the amount in value of his respective contribution. Such

value being fixed, in the case of the capitalist, by the amount of his share-money; the consumer, by the amount of money paid for his purchases or rent; and the industrial classes,—labourer, manager, or whatever other capacity they may respectively occupy,—on the amount of wages, salary, or fees earned from the association within the given period. The money or cash profits could be distributable in cash or shares of the association, at the receivers' option. The increased value and amount of the corporate property could be distributed only in shares representing such increased value or valuations made at stated periods. Two other principles are, however, absolutely necessary to enable such an organisation to continue in existence, and to prevent its becoming sooner or later a monopoly. The first of these is, that the share capital shall be increased from time to time, as occasion may require, and that it shall be open at all times for the admission to its ranks of shareholders and of all those desirous to participate in its benefits. The second, that every labourer, be he manager or plough-boy, and every consumer who affords a market for the company's products, shall by this become legally interested in the company's transactions as a sharer in its profits and in the increased value of its properties. Thus such an association would be universal in its objects and powers, free and open to all people at all times to enter into its membership, and always affording to those who supplied its capital,

performed its work, or purchased its commodities, a fair and just proportion of the wealth produced, adapted, and realised by it.

Beyond the ordinary transactions of business, every such association should provide an adequate machinery for the administration of charitable and philanthropic bequests and endowments. Charitable aid, as far as it possibly can, should be devoted to the employment of labour and appropriation of natural forces for production, and so be made reproductive. Putting aside, for a moment, those cases of human suffering, misfortune, and helplessness in which the recipients of charity are in themselves dependent upon others, we see a huge mass of pauperised labour, young and old, supported by rates or alms in idleness. In addition, a vast mass of unemployed always exists. The amount of labour thus wasted is incalculable. This idle and pauper labour power, at present useless and superfluous in Great Britain, numbering, as is stated, three millions, if directed, properly led and guided, and upon the economic principles in this work laid down, accompanied and assisted by the commuted value of the twenty millions a year spent in charity and poor relief, or one-quarter of that sum, in one or more of the great colonies, would make, in twenty years, the wealthiest, the most independent, and the most prosperous colony of the empire. And were I entrusted with the management of so great an army, I should esteem myself a leader of a mightier host than ever Alexander, Cæsar, or

Napoleon led to victory, for they would be marshalled in an infinitely nobler cause and destined to achieve a mightier triumph and a more enduring glory.

Not only in the colonies would such a scheme be successful, but nearer home, in Ireland, this plan would bring to that unhappy land peace, quietness, and prosperity. No Home Rule, no Land Act, no Abolition of Churches, will finally pacify Ireland and the Irish. That will be accomplished only by a proper and wise system of practical political economy.

The memorandum of association of a company registered under the Limited Liabilities Act contains the common agreement of all the parties who join in the undertaking. It must express, therefore, the powers which are to be exercised, the duties which are to be performed, and the purposes or objects for which it is to exist and act. No directors of any company, nor even the shareholders in general meeting assembled, can legally perform any act not properly included in the memorandum of association. Nor can the memorandum itself be altered save by the universal concurrence of its members, and at a great cost of time, trouble, and money. This foundation of the existence of the new being or organisation should therefore be laid as deep and as broad as human wants can demand, and as human labour exerted upon the forces of nature can supply. And it should contain as its corner-stone the fundamental axiom that all who through it produced and exchanged wealth should

share, in definite and just proportions, in the enjoyment of the wealth produced. A memorandum such as the following might be found sufficient.

MEMORANDUM OF ASSOCIATION.

1. The name of the Association is “The Co-Operative Colonising Association (Limited).”

2. The objects for which the Association is established are—

- (a) To give employment to labour of all descriptions.
- (b) To provide investment for capital, especially for the savings of the labouring and industrial classes; for the purchase, improvement, and utilisation of land and all the various products of nature, and for all purposes of production, manufacture, and exchange, and in all ways and manners to provide just co-operation in the production and distribution of wealth.
- (c) To carry on production, farming, manufacturing, and trading in all branches, and for all purposes, including the breeding and rearing of all kinds of stock, and trading in all merchandise and property.
- (d) To build and work mills and manufactories of all kinds and for all commodities.

- (e) To act as agents or trustees for all persons and for all purposes, and to receive and administer charitable funds or properties in accordance with the principles of the Association and the desires of the donors of such funds or properties.
- (f) To borrow and lend money.
- (g) To buy and sell land and all other property or commodities.
- (h) To promote immigration into the Association's estates, and for that purpose to grant or lend sums of money, and to enter into all necessary contracts with Governments, corporate bodies, and individuals, for that and other similar purposes.
- (i) To erect and conduct schools and other educational institutions or charitable establishments.
- (j) To make or contribute towards the cost of making or constructing public works, such as roads, bridges, wharves, and the like, which may be necessary or useful in opening up and developing the Company's properties.
- (k) To carry on all other sorts and species of business and undertakings not hereinbefore specified, which any individual can

legally carry on, in as full and free a manner as any subject of her Majesty the Queen is at present able to do.

- (l) To perform all and sundry the above powers and purposes, both in the United Kingdom and elsewhere, for the purpose of cheapening all commodities to the consumer, and of making the producer, the capitalist, and the consumer partners in the wealth created

3. The liability of the Members is limited.

4. The capital of the Association is divided into 500,000 shares of one pound each.

Such being the memorandum of association, which is practically similar to the law of the Medes and Persians, as it cannot be altered; we must next proceed to the framing of articles of association. The Limited Liability Acts provide schedules for these articles of association, which are, in fact, the by-laws and rules of procedure under which the work of the association is carried on. These schedules are very comprehensive, but they do not provide for the peculiar working of those portions of the machinery of the proposed association, which are in themselves singular and unknown to the ordinary joint-stock company. Full power is given to alter or amend any of the provisions of the statutory schedules, where

such provisions do not adequately provide for the working of the necessary machinery. The ordinary business arrangements and management of an association would be amply provided for in the form attached to the Act, but provision must be made for any new or extraordinary developments incidental to the particular association. It is also advisable to amend some of the ordinary provisions, such as the voting power of members, so as to render the government of the association more popular.

One powerful argument generally used against the joint-stock principle in co-operative societies is this: that, the number of shareholders being limited by the amount of the share capital, such incorporated associations finally become close corporations and monopolists, as in the case of the Mitchell Hey Mills. But in the proposed form of association this will be impossible, as the share capital will be indefinitely increased, any person at any time having a right to invest money, labour, and land, or other property, and receive shares in the capital stock of the association therefor, as well as for his share of the increased value of its property. It may be fairly urged that, to achieve such beneficial results as may be expected from the workings of these plans, the Legislature and the Government, which are, in truth, but the guardians of the public safety and the public welfare, should, in the interests of the people, assist any co-operative colonising scheme by supplying land and money

to enable labour to achieve its greatest possible results.

By so doing the Government would receive a perpetual and increasing revenue from its lands and taxes, and profits from its funds, while it would provide self-supporting work for all the unemployed, would turn its waste lands into prosperous settlements, would invite population and wealth to the various colonies, and would help to initiate a system of colonisation that would make the colonies still more populous and wealthy than at present.

Take New Zealand as an instance. At this time, when the Government and the Legislature are undecided as to the laws which shall regulate the disposal of the waste lands belonging to the Maories, extending over 10,000,000 of acres of fertile land, it is a duty incumbent upon the Imperial Authorities, as well as upon the colonists, to aid, if possible, in the profitable settlement of these great territories, so as to provide homes for men, to increase the public wealth, and to reduce the public burdens. I speak with knowledge when saying that the native owners would heartily join in carrying out the plan proposed, and would, under proper regulations and safeguards, allow the great bulk of their lands to pass to co-operative colonising associations. The Government of England might fairly be invited to join in and support a movement which in its aim and character is national.

The greatest difficulty to be encountered in commencing and sustaining associations built upon these lines will be found, at the beginning, in the want of capital. This difficulty could be overcome by the capital being secured upon the land and other property of the association, for which, and in the improvement of which, the capital has been and will be spent. And another and still further security could be given to the capitalist which would also confer permanent benefit upon the labourer, by paying a portion of the wages of labour in shares of the association, and only giving moderate wages to labour as well as moderate interest to capital.

Thus, taking a settlement in New Zealand by way of example, if the labourers were to receive £30 a-year and board and lodging, £20 a-year could be paid in cash and £10 in fully paid-up shares of the association, so that the labourer would become a capitalist shareholder to the extent of £10 per annum, for at any rate a certain period. A larger reserve fund might also be made, especially during the commencement of operations, than that proposed, so as to make an adequate insurance against loss. But there are so many sources other than that which is generally resorted to,—*i.e.*, the Stock Exchange,—which ought to be available for the supply of the necessary capital, that it is reasonable to suppose this difficulty will not interfere greatly with the success of the proposed system. The great organisations so frequently

alluded to herein could, with justice to their members and certainty of advantage, invest in such an undertaking. The philanthropic classes, the colonising associations, the temperance societies, the Churches, the county and parochial authorities (especially now that the Local Government Act is law), the corporate bodies of the great towns, and the Parliament of Great Britain, should all assist in such a movement. Is there any reason why the boundless potential wealth of the world should not be widely distributed among the people of Great Britain? Why should not those great multitudes be joint owners in the mighty territories beyond the seas which the Ruler of Nations has given to us as a national heritage? Why should not the mill hands, the coal and iron miners, the agricultural labourers, the artisans and mechanics, and the innumerable classes of the industrial orders share in the ownership of far-off lands, where sheep and cattle should increase and multiply, where fruit of all sorts should grow, where cities and towns should rise, and still greater wealth be created for them and for their children? Why should they not receive from every region of the earth the products of their own fields, gardens, and pastures,—tea from China, from Assam, and from India; rice from the sunny islands of the Pacific; coffee from the Brazils and Indies; beef and mutton from New Zealand, Australia, and South America; corn from India, from America, and Australasia; wool from the boundless

plains of the colonial empire,—all these carried to them across the seas by mighty fleets owned by themselves? Why should they not possess and enjoy their own mines, their own manufactures, their own warehouses, their own estates? Why should not the abundance of the earth flow forth to bless the multitudes of toilers, so that the children of men should in truth and reality enjoy the fruits of that earth which God has given to them? The answer to this question at present is simple; it is found in the individualistic basis of our political economy. I say, without hesitation and without fear, that under a true system of political economy all these results can be accomplished.

Sublime and righteous as such a consummation would be, it needs only the alteration of the fundamental economic principles to produce the necessary change. Thus in the material and social condition of the vast majority of the nation would be experienced an alteration as marvellous and beneficial as the last century has produced in the wealth, the numbers, and the powers of the English race.

By this plan land and wealth would truly become common property. For all would be owners in the accumulated wealth in distinct shares, while the corporate body held it in trust for all. The profits remaining each year after paying interest and wages could be divided as at present in joint-stock companies, while the increased value and accumulated

wealth, other than money, would be distributed in shares of the association, the share capital being increased to the amount of the increased value of the property and stock.

In a well-known paragraph John Stuart Mill, when criticising the wonderful improvement of labour-saving machinery, says that it may be questioned whether all the improvements in machinery have ever lightened a single day's labour of the working man.

It may with equal justice be questioned whether all the writings of political economists have as yet availed to show how any portion of the accumulated wealth produced by the industrial classes can be enjoyed by them. Yet this is the very highest effort, and should be the ultimate hope of every man in whom humanity still breathes.

But while this science is erected upon its present foundation,—while the cardinal law which governs it is a narrow, mean, and godless selfishness,—how is it possible that the result can be other than unjust and sorrowful?

The great increase in wealth, attaching itself to a growing population and commerce, becomes partly fixed and consolidated in the values of land. The unearned increment is simply the consolidation of a large portion of the wealth of a prosperous and growing community. All new and waste lands upon which the tide of immigration flows, where the operations

of commerce become gradually developed, where communities arise, are necessarily enriched by this unearned increment. Thus in the different colonies of Britain, where great cities like Melbourne and Sidney have grown up, land, which fifty years ago was purchased for £5 or £10, is now worth half a million. Even in smaller centres of civilisation the same rule holds good. If such great general increases of value could be preserved for, and shared in by, the whole community through whose presence and toil it is produced, all fear of want, all poverty and the many evils which flow from want and poverty, would vanish. Communities founded in new lands or colonies upon these principles would not only till the soil, but would carry on all trades, would commence and maintain manufactures, would increase commerce, and would develop all those component parts of civilised communities which, working together, create property and value, not only by the labour of each, but by the labour and existence of all. One of the advantages plainly apparent in the trial of a scheme upon new and waste lands is, that no vested interest would be touched, no revolutionary measure passed. The wilderness would be reclaimed, and new and prosperous communities would be formed.

Many writers, and perhaps the majority of thinking men in England, are averse to the assistance of Government in the establishment of co-operative undertakings. They point to the failure which

gradually overtook nearly all the Paris associations receiving assistance from the subventions granted by the French Government. If, however, we examine the nature and operation of the associations so aided, we shall at once see the reason of their failure, and distinguish such assistance from the aid which may well be given by Parliament in undertakings of a wider range and different nature. One of the great differences between the English co-operators and the ordinary Socialists is found in this question of Government aid and Government control. The Christian Socialists were essentially co-operators. "They did not seek in any way whatever to interfere with private property, or to invoke the assistance of the State. They believed self-help to be a sounder principle, both morally and politically, and they believed it to be sufficient. They held it even to be sufficient, not merely in course of time, but immediately, to effect a change in the face of society. For they loved and believed in their cause with a generous and touching enthusiasm, and were so sincerely and absolutely persuaded of its truth themselves, that they hardly entertained the idea of other minds resisting it. 'I certainly thought,' says Mr. Hughes, '(and for that matter have never altered my opinion to this day) that here we had found the solution of the great labour question; but I was also convinced that we had nothing to do but just to announce it, and found an association or two, in order to convert all England,

and usher in the millennium at once, so plain did the whole thing seem to me. I will not undertake to answer for the rest of the council, but I doubt whether I was at all more sanguine than the majority.' Seventeen co-operative associations in London, and twenty-four in the provinces (which were all they had established when they ceased to publish their Journal), may seem a poor result, but their work is not to be estimated by that alone. The Christian Socialists undoubtedly gave a very important impetus to the whole movement of co-operation, and to the general cause of the amelioration of the labouring classes.

Nor does Ketteler approve of Lassalle's scheme of establishing productive associations of working men upon capital supplied by the State. Not that he objects to productive associations; on the contrary, he declares them to be a glorious idea, and thinks them the true solution of the problem. But he objects to supplying their capital by the State, as involving a direct violation of the law of property." *

Of the same opinion is the Bishop of Durham, who declares that co-operation of a voluntary nature makes self-reliant men, while State Socialism tends to create spoon-fed children.

But all these condemnations of Government assistance are limited to the existence and support of associations of working men who are to enter into

* John Rae, *Contemporary Review*, January, 1882.

competition with other working men having no such advantages or assistance.

Nor can it be denied that the manner in which Government aid was given tended somewhat to pauperise the bodies who received it. But the arguments against State aid lose their force when the assistance given by Government is such as, while it benefits the individuals who directly receive it by stimulating industry and promoting hope, also indirectly confers great advantages upon the public at large without creating any competition with other labourers. The country levies ten millions a year to support the pauper population in idleness, to which charity adds another ten. Surely it would be wiser and better to spend twice that sum if needful in enabling the pauper population to become an independent, self-supporting, wealth-creating, and industrious portion of the nation.

At this time it is futile to attempt to lay down, with anything like certainty, limits within which the Government of the nation shall exercise its authority and action. To dogmatise as Mr. Herbert Spencer and some others do upon the functions of Government, and to give out prognostications of evil because Parliament proposes to make some feeble effort to advance the welfare of the people, is worse than nonsense. Such pessimist maunderings are a scandal to philosophy.

The conflict between Lassalle and Schultze de Litsch

was fought out on this field, and from a cursory reading of that important controversy I am convinced that both were partly right. It is certain that Prince Bismarck not only partially sided with Lassalle, but has on many occasions expressed his strong sympathy with State aid to co-operative bodies, especially when directed to colonisation. Of Bismarck's tendency in this direction, the strange conduct of Germany towards Samoa and its unhappy king is a striking example. I go further than Lassalle himself, and I aver my belief that it is the duty of the Government to offer every assistance to all plans which promise to make the poor self-supporting and self-reliant. The Government of this great empire has now an opportunity, never yet given to any power, of conferring an eternal boon upon its subjects, of strengthening and enriching the colonies beyond calculation; of opening practically a new and boundless commerce; of establishing a federation of the empire which will last as long as time itself, and of permanently benefiting humanity at large.

If we submit to examination the reasoning of writers and the facts of experience upon the question of Government assistance, we shall find that two principles only have been the subjects of argument and of action. The aid of Government is deprecated by those who, like the Bishop of Durham, think that such assistance tends to destroy self-reliance, and to encourage dependence upon exterior help. Another

class of thinkers is averse to Government interference on the ground that one section of the community has no right to assistance from the State in its competition for success in life with other classes or individuals. These arguments are reasonable in themselves, but when applied to the circumstances which now exist are neither logical nor weighty. The argument of the Bishop of Durham would do away with all outward assistance whatever save in very exceptional cases, and, indeed, is but a collateral use of the principle of *laissez faire*. The other argument, which is the one used by Free-traders against Protectionists, is a logical argument when kept within certain limits. To assist individual associations in trade or manufacture as against their fellow-citizens is evidently unjust, and tends to a monopoly. On the other hand, to leave the unemployed and the destitute to starve, would be a disgrace to a civilised Government, and dangerous to the body politic. There certainly is no reason why, instead of merely supporting paupers in comparative idleness, Government should not, if possible, enable them to become self-supporting and independent. The instances or illustrations generally quoted against Government interference are those of the trade associations of Paris, which applied for and received Government subventions in, and subsequent to, 1848. These cases illustrate both sides of the argument. The societies in question existed only by virtue of their superior power and the excellence of

their work compared with that of other associations or workmen in the same calling. Naturally the assistance which they received enervated them, and in the keen contest the skill and industry of others won the custom of the trade. It may, perhaps, be considered certain that in all cases of a similar character the result would be the same. The question here is not how to enable tradesmen or mechanics to obtain the greatest portion of a limited amount of custom for which a keen competition already exists. It is rather how to enable the multitudes, who are left behind in this race for life, to win from the cultivation of the waste places of the earth the means of subsistence, which thus winning, they will not only be able to provide for all their own wants, but at the same time relieve their fellow-workers from their competition, from the burden of their support, and provide fresh markets for their labour.

At the present juncture the mere ideas of speculative thinkers or the theories of doctrinaires must give way to the imperative necessity for action. In the presence of idle hosts, of want and hunger, and incipient revolution arising from famine, it is idle to argue about the province of Government, or to limit the authority of the Legislature. The Government must find a remedy, for the evil has grown far beyond the ordinary powers of political economy, and far beyond the efforts of ordinary philanthropic movements. The Legislature of England has presented to

it, at the present time, a problem more difficult than that of Ireland, more dangerous than that of Socialism. Clamouring at its gates are the great masses of the unemployed, while the effects of extreme competition, free trade, and selfishness are bringing Parliament face to face with reform or revolution. It is the last and greatest question presented to civilisation, which, if once satisfactorily answered, leaves nothing to hinder the onward march of the English people to universal dominion and universal plenty. This subject offers a field for the display of patriotism never excelled in the history of England. It affords scope for the exercise of the greatest talents and of unbounded enthusiasm. It offers prizes more precious than the wreath of the victors in the Olympic games, more lasting than the renown which the Latin poet avowed himself to have achieved when he exclaimed, "*Exegi monumentum ære perennius.*"

Towards the solution of this infinitely important problem the efforts of all our greatest and best may well be directed, for they who aid in accomplishing the desired end will lay up for themselves, not only fame in the records of time, but treasures in heaven. It is wonderful that Parliament has not yet begun seriously to consider the position and prospects of the great majority of the English people. That member of either House who first proposes seriously to consider this question will confer an eternal boon upon his countrymen.

To show the opinions of moderate thinkers upon the brilliant possibilities for English commerce which the colonial empire even now affords, I quote from a remarkably able article by Mr. Baden Powell, in the *Nineteenth Century*, of July, 1881. In considering these figures, it must be remembered that Mr. Powell is only dealing with the increase of colonial purchasing power under the present system. To what a vastly wider range of figures might he not extend his vision under the system of co-operative colonisation?

“Probably few of our manufacturers are aware of the following recorded results:—

TABLE I.—*Value of English Manufactures exported to—*

	Europe.	Other Foreign Countries.	Our Colonies
1870 ..	£54,600,000	£34,600,000	£44,200,000
1880 ...	52,400,000	32,900,000	58,500,000
	<hr/>	<hr/>	<hr/>
	Decrease £2,200,000	Decrease £1,700,000	Increase £14,300,000

TABLE II.—*Value of total Trade of United Kingdom with—*

	European Neighbours.*	Other Foreign Countries	Our Colonies
1873 . .	£157,000,000	£373,000,000	£152,000,000
1877 ...	150,000,000	332,000,000	165,000,000
	<hr/>	<hr/>	<hr/>
	Decrease £7,000,000	Decrease £41,000,000	Increase £13,000,000

“From these two tables we learn two lessons. The first is that our own colonies are growing into markets not only already equalling in magnitude the older established markets of other

France, Belgium, Holland, and Sweden and Norway.

lands, but possessed of the further admirable attribute of unlimited future growth. Our trade with France dwindles and dwindles; our trade with our Australian colonies by itself already equals our trade with France. With France we have no reasonable prospect of a larger trade, because France is fully peopled and fully developed. With Australia our prospects of increased trade are commensurate with the fact that in Australia we have a continent capable by its own inherent fertility of supporting in prosperity a population of 300,000,000 human beings, and at present yielding wealth to a bare three millions of human workers. We make every effort to secure access to the dwindling French market; we make no public or appreciable effort to secure access to this real 'market of the future' that invites us in Australia."*

"It needs to insist upon the strange fact, that while England is maintaining at great effort a precarious and utterly untrustworthy commercial connexion with foreign States, the average public seems doggedly to shut its eyes to the opportunities afforded by England's extensive empire. . . . Thé Australias, by themselves, are equal in area, and in natural capacity, to the whole of Europe. In the Canadas and the districts of South Africa the English race possesses yet another potential Europe. And in India and the

* *Nineteenth Century*, July, p. 44. Baden Powell, "New Markets for British Produce."

various outlying colonies the nation possesses surface and wealth of resources equalling those of Europe. "The nation owns, then, an extent of surface and a variety of natural resources equal to three Europes conjoined. Here, then, we have a field not altogether insufficient for employing the best energies of a nation of 50,000,000 people, and for providing unlimited scope for an unlimited increase of this nation."*

Gauged by the same scale, argued upon the same reasoning, what glorious prospects of prosperity would be afforded to the millions of British labourers who should cross the ocean to find homes in this Greater Britain under the system of colonisation here proposed. All means of wealth creation being available, it is difficult to place limits to what is possible. Calculations based upon the proposed data would seem visionary and extravagant. To the most sober mind a great and enduring prosperity may reasonably be suggested.

Thus briefly have I attempted to sketch an affirmative and constructive system of social economy. I have introduced no new or untried principle. The basis and foundation is that ancient and well-known maxim "union is strength." The life principle by which I have striven to animate the whole framework of the proposed system is of equal age and of in-

Nineteenth Century, July, p. 46. Baden Powell, "New Markets for British Produce."

finitely greater worth than that selfishness which I propose to supplant. For sympathy is of nobler origin than selfishness, and mutual help is a surer path to success and happiness than isolation.

No new, no startling change is necessary for the successful accomplishment of the ends which I propose. To final success and to the full development of the possible results of this system the ordinary qualifications for success in life will be also requisite. Honesty, sobriety, industry, a genial and kindly heart, a clear judgment and practical business talent will in this plan also be needed to achieve complete success. But when it is remembered that complete success means the extirpation of that want and suffering which now afflict such multitudes of our people, and that it will render permanently available the labour of men for the production of wealth which the labourers and their wives and children shall enjoy; when it is remembered that in lieu of selfishness there shall be found sympathy; that the homes of want and penury shall be filled with the fruits of the earth and the products of man's industry; that every child in the empire shall be properly fed and clothed, and taught; that opportunities and times for healthy recreation, athletic sports, intellectual progress and Divine worship shall be the heritage of all; and that to accomplish this no violence is proposed, no interference with the vested rights of property, no insidious attack upon religion, morality or

the family relations which we now enjoy, it will be admitted that industry and self-devotion will be amply repaid, and that no effort will be too strenuous, no sacrifice too great to achieve so great a triumph. For this is godliness. It is profitable unto all things having promise of the life that now is and of that which is to come.





CHAPTER XIII.

Statistics of occupations of English people—Same causes of depression operating in England, the States and the colonies—The English colonies compared with the great European States—Mulhall's "Fifty Years of national Progress"—Suicides—Emigration—Distribution of wealth—Australasian wool and gold compared—Possible organisation of all unemployed labour in Great Britain for colonisation—Condition of the English people contrasted with that of Continental nations—Probability of war and devastation in Continental Europe—No possibility of escape or field for expansion for Continental Powers—Antagonism between commerce and philanthropy existing through selfish economy—Associative economy harmonises philanthropy and commerce, religion and business—Application of same principle which abolished slavery to relief of unemployed industry—Necessity for precaution in first experiment—Requisites for final solution of social problems now exist possessed by the English race—The present time the final crisis in the history of civilisation—Necessity for universal action.



THE occupations of the inhabitants of Great Britain in 1884, were as follows :—

Occupations of the English People in 1884.

1. 650,000 persons employed in professions.
2. 1,800,000 persons employed in domestic service.

3. 1,000,000 persons employed in commerce.
4. 1,400,000 persons employed in agriculture.
5. 6,400,000 persons employed in other industrial occupations.
6. 15,000,000 persons non-producers, including women and children—
 1. About 350,000 in municipal employment, Government, &c.
 2. 33,000 merchants, dealers.
 3. 670,000 carriers (this class is getting organised), joint-stock companies, &c.

Of Class 5, by far the largest of the industrial part of the population in which the occupations of the people are described, the divisions are numerous and important. It gathers together the general body of workers as distinguished from the more specific enumeration contained under other heads.

The following is a table of the distribution of Class 5:—

- | | |
|-----------|--|
| 1,300,000 | workers or dealers in minerals. |
| 270,000 | workers or dealers in machines and implements. |
| 1,100,000 | dealers in textile fabrics. |
| 1,000,000 | various kinds of dress, hats, boots, &c. |
| 800,000 | building, furniture, decoration. |
| 100,000 | printing and publishing. |

90,000 carriages and horses.

50,000 boat and shipbuilding, &c.

600,000 food, drinks, board, and lodging.

Of the fifteen millions of non-producers in Class 6, and, indeed, numbering a few from each of the other classes, the pauper population, and those who are only partially employed, are found. It would be quite impossible to arrive with any certainty at the numbers of the industrial population who are only partially employed. So many and diverse are the causes by which idleness is produced or enforced that we can but state in general terms the great but disastrous truth that, beyond the pauper or semi-pauper portion of society, a considerable proportion of the entire labour power of the community is lost by non-usage. Strikes, lock-outs, declining prices, glutted markets, severity of weather, and a hundred other controllable or uncontrollable circumstances operate towards this result. Nor can we hope, under our present system, for any improvement in the stability of the labour market. On the contrary, all the probabilities tend in the opposite direction. It is, no doubt, satisfying to some that statisticians like Mr. Giffen and Mr. Leone Levi prove by figures that the English working classes are better off, and should be more contented than their fathers were, in the face of the startling facts presented by contemporaneous history. But such statements are dangerous as well as substantially

untrue. Parliaments and Governments will be equally unwise if they hide themselves behind these flimsy defences against the ever-increasing volume of popular anxiety. Why should we not recognise the difficulties and face them boldly? To do this may indeed tax the skill, the courage, and the patriotism of the leaders of all parties. But to do it successfully,—and that is possible,—means imperishable renown and permanent usefulness. Not to do it, but to close the eye against the danger which is coming, is to abandon the ship of State to the full force of the driving tempest without preparation or any effort at safety.

The position of matters in the States is rapidly tending to that in England, but by reason of the great territories yet remaining open for settlement, the pressure is not so severe, except perhaps in some of the older States and in the great centres of population.

The colonies are still more favourably situated, but even in the colonies as well as in the United States the tendency is in the same direction, and the same results are merely a matter of time.

Having regard to the uncertain amount of partial idleness in the United Kingdom, it is difficult to fix the amount of available unemployed labour now existing in Great Britain. Counting the able-bodied paupers amongst the available labour, it would not, perhaps, be too great an estimate if we were to consider that there are three millions of the English people in the home countries able and willing to maintain them-

selves, who are not only unable to find work themselves, but are a burden upon the labour of others. When considering the expediency of settling these people in the new lands we may well glance at the relative position which the colonies hold.

Leaving out of calculation the United States, which are but colonies with an independent government,—colonies founded by some of the best and bravest of the English people,—let us contrast the evidences of wealth and power displayed by the colonial world with those of the great nations of the present day. The three greatest nations of Continental Europe are France, Germany, and Russia. In extent of habitable territory any one of the great groups of colonies would well-nigh double them combined. United Germany possesses next to England the greatest commerce with the outside world. The imports and exports of the Zollverein, the United German Customs, are something over three hundred millions, but the imports and exports of the colonial empire are also over three hundred millions.

The revenue and expenditure of France is the greatest in the world, but next to it and greater than the revenue of Great Britain itself is that of the colonial empire.

The Pacific Ocean is rapidly becoming an English lake. Our commerce touches every continent and encircles every group of islands. Our Churches send missionaries to every savage tribe. Our travellers,

irreverently termed by their fellow countrymen "globe trotters" search every corner of that peaceful ocean for new scenes and new sensations. Our men-of-war are seen lazily cruising over that sunny sea or anchored within the coral reefs beneath the shade of palms. Not only does business call its sons, and science draw its devotees from England, the States, and the colonies to the glorious shores and boundless seas of the New World; not only do the stars and stripes and union-jack float over the seas, the emblem of order and government, but our race have traversed this ocean also for fresh fields of sport and pastime. The yachtsman spreads his canvas upon its rolling waves, and the cricketer wields his bat upon its shores. To test the skill, endurance, courage, speed, and strength of its different branches the athletes of our race, like those of ancient Hellas, join in many games on sea and land, for here, as elsewhere, the ocean is its race-course, the continents its fields of sport.

The year of Jubilee has produced a great number of works tending to illustrate and to trace the progress of Great Britain and the empire during the reign of Victoria. Figures, which may seem the most prosaic of studies, will, nevertheless, if we examine their meaning and extent, sometimes cast an entirely new light upon even the commonest subjects. In Mr. Mulhall's "Fifty Years of National Progress," published during the present year, there are many

tables of figures and statements of facts which disclose a state of affairs at once wonderful and appalling.

The greatest causes of suicide among English people are absolute poverty and hopelessness. During the years from 1837 to 1887 Mr. Mulhall states that the deaths of the English people in war have been 52,000, while the deaths of the English people by suicide during the same period have been 77,000.

Thus the deaths by suicide exceed those in war by 50 per cent., an aggregate of 25,000. In each year during the long and prosperous reign of Victoria we have lost 500 English people more than we lost in battle in India, in Abyssinia, in Egypt, in new Zealand, in South Africa, in America, the trenches before Sebastopol, or the storming of Delhi.

All the loss for which we mourned, when with tears and lamentations we sorrowed for the brave men who fell fighting the battles of England, was far surpassed in magnitude by the silent procession, which, driven by want and wretchedness, opened for itself the gates of the eternal world and passed into the presence of the Great Judge. In addition to the famine-stricken million and a quarter of Irish people these 77,000 fled from this world to the world beyond. Who can tell the total amount of anguish, of suffering, and of despair which that wretched host endured before its brigades and regiments fled from the battle-field of life? How much longer is such a state of things to continue? How much longer *can* such a state of

things continue without punishment descending upon the nation?

The emigration from Great Britain and Ireland during the same period amounted to 9,101,000 and yet the population of the United Kingdom increased from 26 millions in 1837 to 37 millions in 1887. The public wealth increased in a far greater ratio. In 1837 the wealth of Great Britain and Ireland was computed at the sum of £4,100,000,000, while in 1887 it stood at the almost fabulous sum of £9,210,000,000. The assessments to the income tax in 1837 show clearly that the wealth of the nation is confined to a comparatively small number of persons. 250,000 people were assessed by the income tax as having incomes of over £200 a year, and another 188,000 were assessed as having incomes under £200 per annum. Thus 438,000 people alone were assessed to the income tax out of 37,000,000. The total amount assessed was about £750,000,000. Let us suppose that the 188,000 assessed for less than £200 were assessed at £175 each, which would be a high average, that would give as the income of the 188,000 the sum of £32,800,000. This would leave the incomes of the remaining 250,000 people at the sum of £717,600,000, or nearly £3,000 per annum on an average for all. But as the greater number of the 250,000, say 200,000, would most likely possess incomes of between £200 and £1,000 per annum, say £700 on an average, that would represent £140,000,000

per annum, leaving the remaining 50,000 people in receipt of an annual aggregate income of £582,000,000, or nearly £12,000 each.

There can be no doubt, in whatever way these figures are considered, that the vast wealth of the British nation is enjoyed by an insignificant numerical proportion of the British people.

The whole savings of the operative classes between the years 1837 and 1887 amounted to £137,500,000. Ten millions of the English people, up to and inclusive of 1886, have saved and deposited in savings-banks and friendly societies, £160,000,000. This represents the total savings of the bulk of the English people. But the national wealth is increasing at the rate of £160,000,000 a year. The savings, therefore, of these ten millions of workers, representing at least thirty-two millions of the people of the United Kingdom during the whole of the present reign, amounts exactly to the increase of the national wealth for one year. The total increase for the other forty-nine years belongs not to the industrial classes, who have produced the wealth from nature, but to the propertied classes, who, through the operation of the present political economy, have managed mostly without toil of any sort to secure it for themselves. During these fifty years the toilers have lived from hand to mouth, and the propertied classes have, like Dives in the parable, been clothed in purple and fine linen, and fared sumptuously every day.

On page 82, Mr. Mulhall, without perhaps being aware of it, effectually disposes of the Malthusian theory; for he distinctly shows that the food supply of the nation has grown much more rapidly than the population. A fact in itself calculated to inspire delight, but which in its results so far has entailed incalculable misery upon thousands, is revealed in the statement that by the increase of steam-power every labouring man can now do as much work as three men could do in 1840. What an additional proof is here afforded to the truth that the labour of men can more than supply all men's wants! Many writers, such as Mr. Giffen and Mr. Baden-Powell, have attempted to arouse an interest in the public mind of England by showing the increasing commerce betwixt the mother country and her colonies.

The statistics given by Mr. Mulhall prove that the Australasian trade now exceeds the whole trade of Great Britain at the time of the Queen's Accession, and that the public revenues of the Australasian colonies are three times the amount of those of George III. at the time of the American War of Independence. We are accustomed to regard with astonishment the vast quantities of gold which Australia has yielded since 1851; but the silent, peaceful sheep, grazing upon Australian pastures have yielded far more wealth in their wool alone, than all the Australian gold; for, while the value of gold has amounted in the thirty-six years to

£285,000,000, the value of wool for the same period totals the vast sum of £436,000,000, a surplus of the value of wool over gold of £151,000,000. If the English working classes, therefore, had possessed the few millions of sheep which there were in Australia in 1851, they would have received from the wool of those sheep and their progeny three times as much wealth as they have been able to save from their hard-earned wages by constant penury and sacrifice during the last fifty years. Nature is indeed bountiful, and if the English industrial classes will but unite to ask for and receive from nature in the great colonies of the empire, the great treasures of wealth which she bestows so lavishly, they too will share to some appreciable extent the increasing wealth of the nation. For Nature in her gifts is like her Master. He that asks receives. He that seeks finds. Unto him that knocks the door shall be opened. With such facts as these patent and indisputable, poverty is at once a sin and a mistake. No doubt, if the multitudes of the unemployed were sent by themselves to these distant lands without aid, without organisation, and without guidance, a dreadful catastrophe would result.

But if this great host, this mighty army, be marshalled and organised and sent forth equipped with the munitions of its peaceful war, its commissariat and its treasure-chest; led, guided, and controlled by men fitted for the task, then would be achieved a result such as the world has never seen. A mightier

host than that of Xerxes, a greater exodus than that of Israel, not with sword and spear to spread desolation over many lands; but with spears beaten into ploughshares, and swords into pruning-hooks, to conquer the desert and the wilderness, and to fill the mighty solitudes of Asia, Africa, America, and Australasia with the homes of happy and contented nations. In this great conquest, while all would share in the toil, all would share in the harvest. The production of necessaries, of wealth, and of values would be the work of the commonwealth. Not one of all the myriads thus sent out to create new nations but would be able by right to claim in life as well as in death some spot of earth he should call his own. And the wealth and capital necessary to organise, to transplant, and to support these myriads, till they became producers, whether advanced by the Government, or subscribed by various associations of co-operators, or by the labour and friendly societies, or by the opulence of that great class in the old country who are willing to devote a portion of their wealth to any reasonable plan proposed for the public good, or as an investment by private citizens, or by all combined, would be amply secured and easily repaid by the great communities which, being thus established, would grow in numbers and increase in wealth.

The amount of English money sunk in Turkish, Russian, Egyptian, South American, and other foreign bonds, is very great, and we can but guess at the

dimensions of the golden stream which has flowed from England to enrich schemers, adventurers, and swindlers in all parts of the earth.

There still remains in the British Islands accumulated wealth, unproductive or only partially productive, more than sufficient to settle the millions who are now languishing in distress, and crushed by despair, upon the fertile lands of the colonies, where they would produce not only independence for themselves, but a large and increasing return for the capital so invested.

The condition of the English races of to-day might, at first sight, when contrasted with the positions of Continental nations, be deemed disadvantageous and perilous. The state of Ireland presents undoubtedly a more serious problem than any analogous event in connexion with the other European nations. But the question, grave and serious as it is, is by no means the most difficult with which the English Government will, in a very short time, find itself compelled to grapple. The condition of the working classes in Great Britain—that is, of the vast majority of the people,—is rapidly assuming a dangerous aspect. Dangerous, because of the power which the mass possesses, which may at any moment, under the instigation of hunger, lead to a sudden outburst in which the social order would be broken up, and the rights of property destroyed. Nor does the wisdom of the rulers of the people, in view of the anomalous

position now occupied by the multitude, inspire the mind of the enquirer with confidence, nor his heart with hope. But gloomy and overcast as the skies are at the present time, reflection will show that things are not as full of danger as they seem. For the means of escape from our present perilous position, and the remedy for the evils which afflict us as a nation, are near at hand and easy of appropriation. Great numbers of the working classes are, indeed, idle, and it is difficult to say when, in the present state of things, they would again meet with that employment by which their daily bread could be secured. On the Continent there are, comparatively speaking, no such idle multitudes at the present time. For this two reasons may be given. The first is, that the great bulk of the people have not been divorced from the land and thrown into towns and cities to earn their bread by manufactures, which at any time may fail to afford the employment necessary for their existence. The second is found in the vast standing armies, ever increasing upon the Continent of Europe, which, although they entail immense cost upon their respective countries, yet provide a certain employment and afford food, clothing, and shelter, besides a small margin for enjoyment, to many millions of the people. The martial hosts, if disbanded and cast upon the labour markets of their respective countries, would throw those markets into irretrievable confusion, and cause scenes of suffering, more widely

extended than those now visible in England,—sufferings which the more impetuous Continental proletariat would not patiently endure. At the time of the Chartist rising in 1848, Continentals taunted the English people with the fact that upwards of a hundred thousand men had assembled for the purpose of vindicating their rights, and had separated without striking a blow or firing a shot in anger, and they expressed, without hesitation, their belief that the English were deficient in courage, because no Continental multitude would assemble in that fashion and to that number without attempting to avenge their wrongs. But this very patience, as Carlyle points out in his “Past and Present,” is the evidence and proof of a courage and an endurance far deeper and more wise than that shown by the outburst of violent passions. For such an outburst would be quelled in blood, and leave all injuries unredressed. The peril of the Continental nations, though not so imminent as that of England, is much more terrible and certain. Their dangers are three-fold, and in each form it seems difficult to perceive a way of escape. War, and war upon a scale and accompanied by horrors such as the world has never seen, is certain to involve the Continental nations in a terrible and destructive struggle. With the continued increase of military forces, the continued improvement of arms and weapons, the continued attention paid to one subject, and one subject only, the coming war must inevitably

result, according to all human experience and reasoning, in a conflict to which all those of the past will be, by comparison, insignificant. Let the people of England be thankful that the strip of silver sea saves them from the doom of many Continental nations, and makes their coasts, their cities, their altars, and their homes inviolate from the foot and hand of the invader.

Besides war, and in addition to it, there will come the disbandment of these mighty forces, which will then be cast loose upon countries devastated and torn to pieces, in which agriculture and manufactures will have ceased, food and all other necessities having been consumed. The horrors attendant upon such a state of things will be unexampled in the history of mankind. Then, lastly, the outburst of revolutions and the frantic struggles of contending multitudes and factions in civil war. For to the Continental there is no escape. Hemmed in by the narrow boundaries of national limits, without colonies or new lands¹ beyond the sea whither the superabundant millions may fly for refuge, with populations rapidly mounting to the margin of subsistence within their respective localities, and which, when under the pressure of war, agriculture, manufactures, and commerce have been hindered or destroyed, must lack the means of sustaining life,—under such circumstances, it is impossible to put limits to the scenes of terror and of anguish which will ensue. Even the

victors in such a conflict will be in a position of most extreme suffering and want. The lot of the vanquished will be indescribably sad.

To the English people, on the other hand, the greatest danger is always nearly present. No stupendous war in which the armies of an enemy could march from London to Edinburgh will threaten her with desolation. No disbanded hosts of trained soldiers, used to ideas of violence and instinct with revolutionary and anarchical hopes, can ever be cast loose. No contending political factions are ever likely to fill the streets of her towns with blood. The two evils which now afflict her can, with a little moderation and a very small modicum of common sense and justice, be soon and for ever removed. The Irish question, which, as I have said, is not an end in itself, but merely a means to an end, presents no great difficulty in its solution. And the whole of the unemployed labour in Great Britain can, by the exercise of a proper system of colonisation, not only become itself absorbed and employed, but open avenues for the employment of all the possible increase of the British people for the next three centuries to come.

Where are the boasted triumphs of philosophy and learning? What is the great Church militant of the merciful Christ doing in the presence of this mass of human misery and degradation? What efforts are leaders of the people making to remedy this desperate condition of these two great nations?

Is not the sum of human sufferings sufficient to arouse the enthusiasm of love which once burned in the Christian communities? Are not the possibilities presented great enough to fire the ambition of patriotism and philanthropy? Have wealth and influence no consciousness of the duties they owe to society while they enjoy such great advantages?

Alas! every other object and purpose seems to be subordinate to the question of monetary result. The predominating influence of this "cursed hunger for gold" has dulled the perception of brighter and better things in the national intellect. To this, beyond all other reasons, the low standard of our national and public feeling is due. Not to the details of prize fights, not to the loathsome annals of the Police and Divorce Courts, not to the dreadful prevalence of drunkenness and immorality, not to openly avowed atheism or slightly veneered unbelief,—not to one of these, nor to all combined, is the depressed state of public opinion and righteousness to be attributed so much as to the dreadful tyranny of covetousness in our midst. This despotism stands alone, and without a peer.

As a natural consequence, to join, or to attempt to join, commercial transactions with the exercise of religious or philanthropic purposes nearly always excites a feeling of the want of harmony. The commercial principle, as now understood and practised, is, love of self. The religious and philanthropic

intention is to benefit others, even at the expense of self. Commerce and philanthropy are contrary to each other and antagonistic. How can they be reconciled? Under existing conditions reconciliation is impossible. If a man conduct commercial transactions according to the present social economy, he cannot avoid contravening the commandment of Christ. When once association and mutual help are laid as the foundations of economics, all discord and variance between religion and commerce will vanish, and it will not be only possible to conduct all business upon Christian principles, but, from the nature of the case, absolutely necessary. With all other pursuits, the precepts of religion, of fairness, of justice, of moderation, of kindness, and of mercy, easily harmonise. Religion can lend its sanction and approval to politics, to literature, to science and to art, to discovery and to speculation, to recreation on the one hand, and, under certain conditions, to war upon the other. To the unjust distribution of property alone, to that human law of economy which deals unjustly with the poor and weak, religion must be for ever opposed. Nor has even the Christian a right to look for any special alteration or miraculous agency for the alleviation of the suffering forced upon humanity by our oppressive social laws.

The remedy is in our own hands. It is simple, peaceful, and easy of attainment. The mere replacing of the selfish individual competitive system by

the mutual help and inherent justice of associative industry will heal nine-tenths of the sufferings of men. Even in the channels through which the alms of the charitable flow the distinction is almost invariably preserved between philanthropy and business. How few of the great bequests for the benefit of the poor, the suffering, or the bereaved, are devoted to reproductive purposes. How vast are the sums yearly spent in a mere temporary alleviation of the passing wants of poverty. The twenty millions annually expended in the United Kingdom in relieving the poor might if properly directed give employment to all able to toil in growing food, building houses and manufactories, providing clothing, in improving the value of land, and creating wealth of all descriptions.

So, too, the funds of those vast organisations, friendly and benefit societies, working men's clubs and trade unions, savings-banks, mutual insurance associations and co-operative bodies are in no way employed as they should be and as ere long they will be. Some of these funds, and they are both large and numerous, are idle, while some carry a small fixed interest; but the cases are few and far between in which the moneys of such bodies are employed as capital is usually employed in producing for the owners increased wealth. Then if we consider the trust funds of the nation, those great accumulations which lie practically unused, it becomes evident that, combined,

these sources of capital would support the present idle labour upon land and nature now unappropriated. Poor-houses would be deserted and jails well-nigh empty.

Nor would the investment of such funds in any way interfere with the power to call upon them in case of need. Provisions could be adopted which would easily satisfy any possible requirement; while the capital thus used would afford employment, create business, increase at a rate hitherto unknown, and provide an ever-growing amount of wealth and property for the enjoyment of the multitudes whose small savings had contributed to its commencement, equally with those whose labours more immediately tended to produce it.

Half a century ago the Parliament of Great Britain, after thirty years of the agitation commenced and continued by the Clapham sect, solemnly decreed that in no part of the British empire should slavery exist, and voted £20,000,000 of British money as payment for the manumitted slaves. Twenty millions at that time was equal to at least fifty millions to-day—regarded as a burden upon the State. For double the amount—say, £100,000,000—the present pauper and idle population of Great Britain and the colonies would be turned into independent, wealth-creating communities ever open to receive constant accessions to their numbers from the surplus population of the mother country. The abolition of slavery, the pro-

posal for which brought down upon Wilberforce, Clarkson, Stephen, Zachary Macaulay, Sharp, and the other members of that illustrious band, so much odium and party hatred, forms, and will ever form, one of the brightest pages of English history. But a measure which would for ever abolish pauperism and enforced idleness from amongst her own people in every portion of her empire, though purchased at the cost of £100,000,000 or £200,000,000 of money would furnish a still loftier theme for the pen of the historian, the tongue of the orator, and the poet's immortal verse.

Great care should be exercised in the first efforts made to reduce such a system into practice. The settlement of unemployed labourers upon land partially or totally uninhabited, the formation of new communities, presenting aspects hitherto unseen and under conditions hitherto untried, must necessitate extreme care, and the possession of those happy and favourable circumstances which in all human probability will induce success. In all new undertakings and projects of a character not before tested, so many possible contingencies may arise, such new and unanticipated difficulties may occur, that a large reserve of power and every possible combination of favourable conditions should be made available. It is after the first experiments with new machinery that the component parts of the engine are easily constructed and work smoothly. It is after the first intrepid

explorers have opened up the recesses of unknown lands that the merchant, the traveller, and the colonist follow with safety in the tracks of the discoverer. So in first essaying to realise such a theory as is herein propounded the most suitable human material should be selected both of body and mind; ample means and capital should be provided; the most advantageous locality; easy of access from the sea, the great highway of the nations; and containing the best possible soil and climate, should be chosen. The land selected should be not only good, but cheap; there should be certain and permanent markets secured, a definite plan should be adopted, nor should skilled or hearty management be forgotten: in a word, all that could with ordinarily wise management conduce to a successful issue should in the first instance be carefully provided.

No precautions could be too extreme in such a case; so many contingencies are possible, so many accidents and unforeseen difficulties may happen, against which no human foresight or providence could guard; while the end to be gained by success is so greatly to be desired that it were worse than folly to neglect any possible advantage.

It would in the past have been impossible to have attained the height of our ideal, and equally impossible to have maintained such a position, even for a single generation had it been gained.

For many qualities, much knowledge and most

peculiar conditions are requisite before any human society can hope to succeed in this quest, even if all its members be animated by a common desire to reach the very loftiest heights of human perfection.

A community or group of communities to reach this result must exist free from the fear or danger of military subjugation. There must be also such a liberal and extensive historical view of human thought and effort, of success and failure, and all other elements of historical knowledge as will enable the leaders of a nation to lay down those laws and rules for the guidance of social life as will conduce as nearly perfectly as possible to the virtue, the happiness, and the comfort of all.

Again, it is indispensable that there shall be a great sufficiency of territory from which to produce food and the necessities of life, while room is given for expansion and for attention to those sanitary laws and laws of recreation which give health and vigour both to body and mind.

Nor can such a condition be arrived at without art and science having been so far developed as to enable man to control, to a greater extent than in preceding ages he has yet done, the elements and laws of nature, so that by the aid of the motive-powers of nature, of increased knowledge of her processes of adaptability of soil and climate, the labour of each individual man shall produce manifold more wealth than heretofore,

and the means of carriage for its exchange and distribution be greatly cheapened and facilitated.

For we should never forget that the same amount of food and clothing which satisfied men ten centuries ago will satisfy them now. If, therefore, by the aid of science, of machinery, of capital, and labour properly applied, ten men can now produce and manufacture as much food and clothing as a hundred in the days of the Norman conquest, the community at large will gain the whole time and energy and intellect of the remaining ninety.

It is necessary, in addition to these requisites, that such a community shall be built upon a foundation of civil and religious liberty. There should be free interchange of thought and free discussion of all subjects. And such discussion and such interchange should be presented continually for the public examination and for the judgment of public opinion.

And this public presentation should be made in all places and to all communities at the same time. There must also be existing among such a people a system of organised mutual help and action, differing not in degree, but in principle, from the current selfish political economy.

But, lastly, though greatest of all, a community desiring to climb to the summit of true greatness must have for its religious faith the precepts of the gospel of Christ, and must believe and practise the two great laws which He laid down.

During the past ages of human existence these conditions have never been, and until now never could have been, fulfilled. Henceforth it is possible.

Discovery has revealed to us all the earth; we know the languages, the habits, and the manners of all its peoples.

The histories of nations and races have been collated for our instruction. Even the buried cities of the past, and the dwellings of those whose exploits formed the lofty theme of Homer and the loftier records of Biblical history, are now unearthed. From the sand drifts of Egypt, from the silent mounds on the banks of the Euphrates, from the tombs of ancient Greece, from the ruins of old Troy, and from the regions where prophets spoke and where the Saviour lived and taught and died, are the voices of the dead now telling us across the centuries of the lives and hopes of those who passed away and were forgotten thousands of years ago.

Science also and invention have in modern days, notably in the last century, opened up a new world of treasure for human enjoyment and comfort.

Wherever we take our stand, we see around us those signs of the times which not only indicate the great advantages which this generation possesses over all that have preceded it, but which enable us to recognise the truth that the growing light by which we are surrounded is but the dawn of a glorious day now swiftly approaching.

Behind us is the night of ignorance, of error, of superstition, of tyranny, of want, and crime ; around us in the valleys deep shadows yet linger, mists and the grey dawning cling stubbornly upon the plains and the mountain slopes ; but upon the summits of the mighty hills, piercing the pale blue of the morning sky, there can be seen, not yet, perhaps, the golden beams of the rising sun, but that steel-grey light which tells that the night has passed and silently heralds the approaching day.

Yes, it is possible. More than possible, but possible only at first for one among the races of the earth, —the English race. To that race belong those great territories of habitable land in every part of the earth which form the silent and desolate heritages of the heathen. To that race belongs the dominion of the sea. That race alone has no apparent reason to apprehend any possibility of subjugation or even serious aggression from its enemies. To that race alone belongs truly and in any sense completely the priceless boon of civil and religious liberty. The English-speaking peoples alone have the means and the power of indefinite extension. To them the dominion of the world is given. And in the varied communities in all quarters of the earth, whether governed from London, Washington, Montreal, Melbourne, Sydney, or any other centre and seat of government which has sprung from the loins of England, there is, in spite of selfishness, of ignorance, of hereditary prejudice in

legislation, and manners, one desire paramount above all others, and that is the onward progress and fuller development of their race and of humanity. Nor is there one single community of this race, however small, but it is rich in the possession of men who from the very noblest of all passions desire to see their fellows the wide world over increasing in knowledge, in wealth, and in comfort.

No such important period as the present has occurred since the life of Christ. At that time a great moral and religious revolution took place. The old faiths of the heathen world had lost their power, the gods of the Pantheon were discarded, the idols were no longer revered, all humanity cried out for a pure religion.

The world was ripe for a final change. At no time before or since, up till now, were there so great facilities for the propagation of knowledge. Then came Christ.

Again a crisis has come upon us. Let us listen again to the voice of our great Guide. This time the second great principle of His teaching is to become fixed in men's minds, and hearts, and conduct. The laws regarding man's temporal situation are now in the same state of confusion as the religions of the nations were when Cæsar Augustus ruled and Jesus of Nazareth was crucified.

The time is ripe for a mighty change. The earth, so far as we are concerned, is wrapped in peace. The

oceans are bridged by our commerce. The lands we own are practically boundless. The laws that govern us are wise and good. The freedom we enjoy is almost perfect. The means existing for the transmission of knowledge are wonderful; land, labour, capital, the three factors of production are ours in boundless profusion,—every incentive to action spurs us on. The relief of suffering, the hope of universal contentment, the glory of our race, the extension of our empire, the healing of the nation's wounds, above all, the command of God, call with trumpet tones to every heart in that empire “upon which the sun never sets” to aid in this new crusade.

THE END.